

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

**SECURITIES ACT OF 1933**  
**Release No. 8723 / July 17, 2006**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 54156 / July 17, 2006**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12367**

**In the Matter of**

**Senior Resources Asset Fund,  
LLC and Kenneth E. Baum,**

**Respondents.**

**ORDER INSTITUTING ADMINISTRATIVE  
AND CEASE-AND-DESIST PROCEEDINGS,  
MAKING FINDINGS, AND IMPOSING  
REMEDIAL SANCTIONS AND A CEASE-  
AND-DESIST ORDER PURSUANT TO  
SECTION 8A OF THE SECURITIES ACT OF  
1933 AND SECTIONS 15(b)(6) AND 21C OF  
THE SECURITIES EXCHANGE ACT OF  
1934.**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”) against Senior Resources Asset Fund, LLC (“Senior Resources”) and pursuant to Section 8A of the Securities Act and Sections 15(b)(6) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Kenneth E. Baum (collectively, “Respondents”).

**II.**

In anticipation of the institution of these proceedings, Respondents have submitted Offers 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 them and the subject matter of these proceedings, which are admitted, Respondents consent to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Section 8A of the Securities Act of 1933 and Sections 15(b)(6) and 21C of the Securities Exchange Act of 1934, as set forth below.

### III.

On the basis of this Order and Respondents' Offers, the Commission finds<sup>1</sup> that

#### A. RESPONDENTS

1. Senior Resources Asset Fund, LLC, is a California company located in Dana Point, California. During 2001 and 2002, Senior Resources was in the business of providing financial advice to senior citizens. Senior Resources also issued securities in the form of promissory notes. Senior Resources has never been registered with the Commission, nor has it registered any offerings or class of securities with the Commission.

2. Kenneth E. Baum, age 46, resides in Hemet, California. Baum is the manager and director of Senior Resources. Baum was associated with a registered broker-dealer from 1985 to 1995, but has not been associated with a registered broker-dealer since that time.

#### B. FACTS

1. From February 2001 until October 2002 Senior Resources issued securities in the form of promissory notes. The Senior Resources promissory notes purported to bear interest at rates ranging from 10% to 15% per year, and to mature two years from the date of issuance.

2. From February 2001 until October 2002, Baum offered the Senior Resources notes to at least twenty-three prospective investors and recommended that they purchase those notes. Baum received transaction-based compensation in connection with his sales of the Senior Resources notes.

3. In addition, from August until November 2000, Baum offered and sold securities issued by Renaissance Asset Fund ("Renaissance"). These securities were also in the form of promissory notes. Baum offered Renaissance securities to at least five investors. Baum also received transaction-based compensation in connection with his sales of Renaissance notes.

4. Baum offered the Senior Resources and Renaissance notes for sale through means and instruments of interstate commerce. Baum caused materials to be mailed to prospective investors and also used telephonic communications to offer Senior Resources and Renaissance promissory notes to prospective investors.

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<sup>1</sup> The findings herein are made pursuant to Respondents' Offers of Settlement and are not binding on any other person or entity in this or any other proceeding.

5. No registration statement was filed with the Commission or was in effect as to the transactions in Senior Resources or Renaissance securities. Moreover, the promissory notes issued by Senior Resources and Renaissance were not exempt from registration.

6. As a result of the conduct described above, Senior Resources violated Sections 5(a) and 5(c) of the Securities Act, and Baum willfully violated Sections 5(a) and 5(c) of the Securities Act and Section 15(a) of the Exchange Act.

7. Respondent Senior Resources has submitted a sworn Statement of Financial Condition dated March 23, 2006 and other evidence and has asserted its inability to pay disgorgement plus prejudgment interest. Respondent Baum has submitted a sworn Statement of Financial Condition dated March 23, 2006 and other evidence and has asserted his inability to pay a civil penalty or disgorgement plus prejudgment interest.

#### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in the Offers of Respondents Senior Resources and Baum.

Accordingly, pursuant to Section 8A of the Securities Act, and Sections 15(b)(6) and 21C of the Exchange Act, it is hereby ORDERED that:

A. Senior Resources and Baum cease and desist from committing or causing any violations and any future violations of Sections 5(a) and 5(c) of the Securities Act and Baum cease and desist from committing or causing any violations and any future violations of Section 15(a) of the Exchange Act.

B. Baum be, and hereby is barred from association with any broker or dealer, with the right to reapply for association after three (3) years to the appropriate self-regulatory organization, or if there is none, to the Commission.

C. Any reapplication for association by Baum 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 Baum, 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.

D. Senior Resources shall pay disgorgement of \$2,735,000 plus prejudgment interest of \$964,203 and Baum shall pay disgorgement of \$220,000 plus prejudgment interest of \$77,559, but that payment of such amounts is waived based upon Respondents' sworn representations in their Statements of Financial Condition dated March 23, 2006 and other documents submitted to the

Commission. Based upon Baum's sworn representations in his Statement of Financial Condition dated March 23, 2006 and other documents submitted to the Commission, the Commission is not imposing a penalty against Baum.

E. The Division of Enforcement ("Division") may, at any time following the entry of this Order, petition the Commission to: (1) reopen this matter to consider whether Respondents provided accurate and complete financial information at the time such representations were made; and (2) seek an order directing payment of disgorgement and pre-judgment interest against Respondents and/or the maximum civil penalty allowable under the law against Baum. No other issue shall be considered in connection with this petition other than whether the financial information provided by Respondents was fraudulent, misleading, inaccurate, or incomplete in any material respect. Respondents may not, by way of defense to any such petition: (1) contest the findings in this Order; (2) assert that payment of disgorgement and interest and/or the maximum civil penalty allowable under the law should not be ordered; (3) contest the amount of disgorgement and interest or the imposition of the maximum penalty allowable under the law; or (4) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

By the Commission.

Nancy M. Morris  
Secretary