UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 56246/ August 14, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12672

In the Matter of	:	
	:	ORDER MAKING FINDINGS AND
RICHARD E. WENSEL	:	IMPOSING SANCTION BY DEFAULT
	:	
	:	

The Securities and Exchange Commission (Commission) issued an Order Instituting Proceedings (OIP), pursuant to Section 15(b) of the Securities Exchange Act of 1934 (Exchange Act) on June 26, 2007. The OIP required that Richard E. Wensel (Wensel) file an Answer to the allegations in the OIP within twenty days of service of the OIP. OIP at 2. Service occurred on July 9, 2007, so Wensel's Answer was due by July 30, 2007. A hearing is scheduled to begin on Wednesday, August 15, 2007.

I issued an Order Postponing Hearing on July 19, 2007, stating that I would default Wensel if he failed to file an Answer contesting the allegations in the OIP. Wensel has not filed an Answer and the Division of Enforcement has informed my Office that Wensel's counsel was unsure whether Wensel would file an Answer or default. Accordingly, I find Wensel in default and that the following allegations in OIP are true. 17 C.F.R. §§ 201.155(a), .220(f).

A. RESPONDENT

Wensel is 72 years old and resides in Scottsdale, Arizona. Wensel was involved in the nine-month promissory note offerings of Security Asset Capital Corp. (Security Asset). Security Asset initially retained Wensel to explore various means of raising funds and he became responsible for developing Security Asset's promissory note program. Security Asset hired Wensel as a director in March 2001. According to Security Asset's public filings, Wensel resigned from his director position effective December 20, 2001, but he continued to serve as an executive vice president of one of Security Asset's subsidiaries. Although he received commissions from the sale of Security Asset promissory notes, Wensel has never been registered with the Commission in any capacity.

B. ENTRY OF THE INJUNCTION

On June 12, 2007, the United States District Court for the Eastern District of Pennsylvania entered a final judgment on default against Wensel, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 (Securities

Act), Sections 10(b) and 15(a)(1) of the Exchange Act and Exchange Act Rule 10b-5 in SEC v. Security Asset Capital Corp., Civil Action Number 04-CV-0683.

The complaint in SEC v. Security Asset Capital Corp. alleges that Wensel and other defendants made material misrepresentations and omissions in the offering of nine-month promissory notes, whereby investors were promised secure investments with 12 percent or more annual returns. In fact, investors lost their investments. The alleged misrepresentations and omissions related to, among other things, the use of the offering proceeds and the risks associated with the investment. Specifically, the complaint alleges that contrary to representations, at the time of the offerings, each of these issuers was in dire financial circumstances, and that offering proceeds were used, not for the purchase of productive assets as promised, but, largely, to pay commissions, officers' salaries and personal expenses, and to pay interest to prior investors. The complaint further alleges that, from these offerings of promissory notes, Security Asset raised approximately $7 million. Finally, the complaint alleges that no registration statement was in effect as to these promissory notes; nor were they exempt from registration, and that Wensel acted as an unregistered broker-dealer in connection with the charged conduct.

CONCLUSIONS OF LAW

Section 15(b) of the Exchange Act authorizes the Commission to bar from association with a broker or dealer a person who has been enjoined from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act, Sections 10(b) and 15(a)(1) of the Exchange Act and Exchange Act Rule 10b-5, where it is in the public interest to do so.

Application of established public interest criteria shows that it is in the public interest to bar Wensel from association with a broker or dealer. His conduct was egregious in that it violated the antifraud and registration provisions of the securities statutes and an Exchange Act regulation and it caused investors to lose their investments. Wensel has neither provided any assurance against future violations nor recognized the wrongful nature of his conduct. Finally, the factors mentioned previously and Wensel's failure to contest the allegations of wrongdoing in both the underlying civil action and this administrative proceeding indicate that Wensel's continued participation in the securities industry would likely result in future violations. Steadman v. SEC, 603 F.2d 1126, 1140 (5th Cir. 1979), aff'd on other grounds, 450 U.S. 91 (1981); Orlando Joseph Jett, 82 SEC Docket 1211, 1260-61 (Mar. 5, 2004).

ORDER

It is ORDERED that pursuant to Section 15(b) of the Securities Exchange Act of 1934, Richard E. Wensel is barred from association with any broker or dealer.

It is FURTHER ORDERED that the hearing scheduled for August 15, 2007 is canceled.

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Brenda P. Murray
Chief Administrative Law Judge