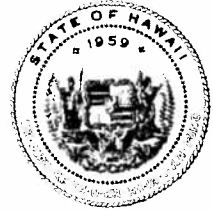




**NEWS
RELEASE**

**For Immediate
Distribution**



U.S. Securities and Exchange Commission

Los Angeles Regional Office
Rosalind R. Tyson, Acting Regional Director

**State of Hawaii
Department of Commerce and
Consumer Affairs**

Business Registration Division
Tung Chan, Commissioner of Securities

FOR IMMEDIATE RELEASE

2007-

**SEC PARTNERS WITH STATE OF HAWAII TO CHARGE
HONOLULU-BASED ADVISER WITH DEFRAUDING SENIORS**

**Action in Connection with Year-Long Examinations of “Free Lunch” Seminars
for Seniors**

Washington, D.C., Sept. 7, 2007 – The Securities and Exchange Commission and the Hawaii Securities Commissioner today jointly announced the filing of separate securities fraud actions against a Honolulu man who ripped off older investors and retirees after offering them free meals at fancy restaurants and hotels in Hawaii.

The SEC’s emergency action in federal district court in Honolulu against Mark K. Teruya, age 35, and his company, Senior Resources of Hawaii, Inc., based in Honolulu, is the first connected to the year-long examination by the SEC and other regulators of financial services firms offering “free lunch” investment seminars that target older investors. Full results of the examination sweep will be released at the SEC’s “Senior Summit” on Monday, September 10.

The SEC action seeks to halt the defendants’ fraudulent activities and strip them of their ill-gotten gains. Simultaneous with the filing of the SEC’s complaint, the Hawaii Securities Commissioner issued a Preliminary Order to Cease and Desist and Notice of Right to Hearing against Teruya and Senior Resources seeking to revoke Teruya’s state registration as an investment adviser representative.

Linda Chatman Thomsen, Director of the SEC’s Enforcement Division, said, “This case stands as yet another important example of our continuing effort to aggressively combat frauds targeting seniors by partnering with state regulators to identify and bring these cases

swiftly. As will be further examined during the SEC's second annual Seniors Summit on Monday, securities industry professionals who exploit the trust and confidence placed in them by seniors, as was the case here, can expect aggressive enforcement action by regulators."

Rosalind R. Tyson, Acting Director of the SEC's Los Angeles Regional Office, added, "We have worked closely with the State of Hawaii to bring this action, and will continue to coordinate our efforts to prevent investors from being defrauded throughout this region. Today's action alleges conduct that enticed seniors to entrust their life savings to someone who claimed to be a 'certified retirement financial adviser' and promoted his services through free seminars offering a free meal and free individualized financial planning meetings. Under this guise, the defendants sought only to enrich themselves through undisclosed conflicts of interest and commissions."

"Swindling seniors destroys families and communities," said Hawaii Commissioner of Securities Tung Chan. "We have no tolerance for perpetrators of investment fraud, especially against seniors, and we will continue to work with the SEC to use all available state and federal tools to bring perpetrators to justice."

SEC enforcement staff joined forces with the State of Hawaii in taking action on this matter, sharing information and resources. SEC examination staff, acting on information provided by Hawaii securities regulators, inspected Teruya's office as part of a cooperative state, SRO, SEC examination sweep of financial services firms that sponsor "free lunch" investment seminars.

These cases result from a multi-pronged effort to combat fraud against seniors through regulatory cooperation and coordination. Already, the SEC has brought more than 40 enforcement actions in the past two years against frauds targeting retirees and other older investors.

Teruya is a representative of an SEC-registered investment adviser, which was not named in either of today's actions.

According to the SEC's complaint, since at least 2004 and continuing as recently as August 2007, Teruya, through Senior Resources, has on multiple occasions fraudulently induced clients to sign a series of pre-printed, fill-in-the-blank forms by misrepresenting the purpose of the forms, the reasons that they needed prospective clients' signatures on the forms, and the way in which they would use the forms. The complaint alleges that Teruya used the signed forms to sell the seniors' existing securities holdings without their knowledge or authorization. The complaint also alleges that Teruya, who is also a licensed insurance agent, then used the proceeds of the unauthorized sales to purchase equity-indexed annuities for which he received substantial, undisclosed commissions totaling about \$2 million.

The complaint alleges that each month the defendants lured about 75 senior citizens, mostly retirees in their 60s, 70s, and 80s, to free breakfast and dinner seminars focusing on

retirement financial planning. The complaint alleges that the defendants targeted seniors through advertisements in local newspapers, such as *The Honolulu Advertiser* and *Honolulu Star-Bulletin*, and direct mail invitations. The advertisements featured eye-catching headlines, such as "7 Seldom Heard, Significant Financial Opportunities [That] May Be Available to Many Retirees," and "10 Common Costly Financial Mistakes Hawaii Retirees May Make and Ways to Avoid Them."

As alleged in the complaint, defendants then offered seminar attendees free one-on-one consultations with Teruya, a self-proclaimed "certified retirement financial adviser." The complaint further alleges that, during these individual meetings, defendants fraudulently induced the seniors to sign the blank forms.

The SEC's complaint charges the defendants with violating the antifraud provisions of the federal securities laws and seeks preliminary and permanent injunctions, disgorgement of ill-gotten gains with prejudgment interest, and civil penalties.

Hawaii's Preliminary Order to Cease and Desist names Teruya, Senior Resources of Hawaii, Incorporated doing business as USA Wealth Resources, Ronda Teruya, Rodelia Ferrer, and Craig Teruya with securities fraud and unworthiness in violation of the state securities laws, Sections 485-25 and 485-15 of the Hawaii Revised Statutes.

As part of its continuing effort to combat fraud against seniors, the Commission will host the second annual Seniors Summit on September 10. Panel discussions will include cooperation among regulators and law enforcement to identify and stop investment scams against seniors and the release of findings from an examination of securities firms offering "free lunch" investment seminars aimed at senior citizens.

The SEC's Seniors Summit will begin at 10 a.m. ET on Sept. 10 and will be webcast live on the SEC Web site at www.sec.gov. Registration information and other materials about the Seniors Summit are available at http://www.sec.gov/spotlight/seniors/seniors_summit.htm.

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