

1 MARY ANN SMITH
Deputy Commissioner
2 DOUGLAS M. GOODING
Assistant Chief Counsel
3 KIRK WALLACE (CA BAR NO. 129953)
Senior Corporations Counsel
4 Department of Business Oversight
5 One Sansome Street, Suite 600
6 San Francisco, California 94104
7 Telephone: (415) 972-8546
Facsimile: (415) 972-8550
8 Attorneys for Complainant

10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
11 OF THE STATE OF CALIFORNIA

12 In the Matter of)
13 ASSET STRATEGIES AND MANAGEMENT,) **CONSENT ORDER**
14 INC., AND MICHAEL G. HOLT) **(1) BARRING MICHAEL HOLT**
15 Respondents.) **PURSUANT TO CORPORATIONS CODE**
16) **SECTION 25232.1 AND**
17) **(2) SUMMARILY REVOKING THE**
18) **INVESTMENT ADVISER CERTIFICATE**
19) **OF ASSET STRATEGIES AND**
20) **MANAGEMENT INC. UNDER SECTION**
21) **25242(b)**

19 Whereas, in or about 2011 and 2012, Respondents Michael G. Holt and Asset Strategies and
20 Management Inc., a North Dakota corporation, had a principal place of business located at 55 North
21 Third Street, Suite 201, Campbell, CA 95008. During that time and continuing to the date of this
22 Order, Asset Strategies and Management, Inc. (“ASM”) (CRD Number 104723) had an investment
23 adviser certificate issued by the California Department of Business Oversight (“Department”)
24 pursuant to Corporations Code section 25230 (CRD number 104723). Michael G. Holt (“Holt”)
25 (CRD number 1477694) was the president of ASM and is its sole owner.

26 Whereas, the Department regulates investment advisers in California.

27 Whereas, for the purpose of settling the issues contained in this Order without further
28 litigation and without admitting or denying the findings herein, except as to the jurisdiction of the

1 Department of Business Oversight over them and the subject matter of these proceedings for the
2 times in question, which are admitted, Michael G. Holt and Asset Strategies and Management, Inc.
3 consents to the entry of this Consent Order made pursuant to California Corporations Code Sections
4 25232.1 and 25242(b).

5 **I. JURISDICTION AND VENUE**

6 1. The Commissioner of the Department of Business Oversight (“Commissioner”) is
7 authorized to administer and enforce the provisions of the Corporate Securities Law of 1968,
8 Corporations Code section 25000 et seq. ("CSL") and the regulations thereunder at Title 10,
9 California Code of Regulations.

10 2. The Commissioner brings this action pursuant to the provisions of CSL sections
11 25232.1 and 25242(b), and the rules and regulations promulgated thereunder.

12 **II. STATEMENT OF FACTS**

13 3. Holt and ASM admit to the jurisdiction of the Department in this matter.

14 4. In or about 2011 and 2012, Holt and ASM had a principal place of business located at
15 55 North Third Street, Suite 201, Campbell, CA 95008. During that time and continuing to the date
16 of this Order, ASM had an investment adviser certificate issued by the Department pursuant to
17 Corporations Code section 25230 (CRD number 104723).

18 5. Beginning in or about 2011, money provided to ASM by its investment adviser clients
19 that Holt had represented to the clients would be used for making investments on the clients’ behalf,
20 was converted for personal use by Holt. Subsequently in or about 2013, the court was petitioned to
21 appoint a conservator for Michael Holt based on the assertion that he was suffering from a medical
22 condition that was impairing his judgment and ability to govern his own affairs. A court order was
23 issued on or about April 11, 2013 by the Superior Court of California, County of San Joaquin
24 appointing a temporary conservator over Holt. ASM subsequently ceased doing business as an
25 investment adviser in or about 2013. Records of the California Secretary of State indicate that
26 ASM’s corporate status is currently suspended.

27 ///

28 ///

1 **III. ORDER BARRING MICHAEL G. HOLT FROM EMPLOYMENT IN THE SECURITIES**
2 **INDUSTRY IN CALIFORNIA**

3 6. The Commissioner of the Department of Business Oversight (“Commissioner”) finds
4 that the conversion of ASM client funds for personal use by Holt and ASM was a deceptive,
5 manipulative and fraudulent practice by an investment adviser in violation of CSL section 25235.
6 The violation of this section authorizes the Commissioner to bar Holt from any position of
7 employment, management or control of any investment adviser or securities broker-dealer or
8 commodity adviser pursuant to CSL sections 25232.1 and 25232(e).

9 7. CSL Section 25235 states that it is unlawful for any investment adviser directly or
10 indirectly:

11 (a) To employ any device, scheme, or artifice to defraud any client
12 or prospective client.

13 (b) To engage in any transaction, practice, or course of business
14 which operates or would operate as a fraud or deceit upon any client or
15 prospective client...

16 (d) To engage in any act, practice, or course of business which is
17 fraudulent, deceptive, or manipulative. The commissioner shall, for the
18 purpose of this subdivision, by rule define and prescribe means reasonably
19 designed to prevent such acts, practices, and courses of business as are
20 fraudulent, deceptive, or manipulative.

21 8. CSL section 25232.1 provides, in relevant part:

22 The commissioner may...by order...bar from any position of employment,
23 management or control of any investment adviser, broker-dealer or commodity adviser,
24 any officer, director, partner, employee of, or person performing similar functions for, an
25 investment adviser, or any other person, if he or she finds that the censure, suspension or
26 bar is in the public interest and that the person has committed any act or omission
27 enumerated in subdivision (a), (e), (f), or (g) of section 25232...

28 9. CSL section 25232 provides, in relevant part:

The commissioner may,...by order censure, deny a certificate to... or revoke the
certificate of, an investment adviser, if the commissioner finds the censure, denial,
suspensions, or revocation is in the public interest and that the investment adviser, ... has
done any of the following: ...

1 (e.) Has willfully violated any provision of the securities Act of 1933... the
2 Investment Advisers Act of 1940 ... or Title 4 (commencing with Section 25000) ... or any
3 rule or regulation under any of those statutes...

4 10. Pursuant to CSL sections 25232.1, the Commissioner finds it is in the public interest
5 and hereby bars Michael G. Holt (CRD number 1477694) from any position of employment,
6 management or control of any investment adviser, broker-dealer or commodity adviser in the State of
7 California.

8 **IV. ORDER SUMMARILY REVOKING INVESTMENT ADVISER CERTIFICATE OF**
9 **ASSET STRATEGIES AND MANAGEMENT, INC.**

10 11. The Commissioner of the Department of Business Oversight (“Commissioner”) finds
11 that the court’s appointment of a conservator over Holt in April of 2013, as well as ASM ceasing to
12 do business as an investment adviser are grounds for the summary revocation of investment adviser
13 certificate issued to ASM by the Department pursuant to Corporations Code Section 25242(b).

14 12. Corporations Code Section 25242(b), in relevant part allows for the summary
15 revocation of the investment advisory certificate of any investment adviser:

16 If the commissioner finds that any broker-dealer or investment adviser is no longer in
17 existence, or has ceased to do business as a broker-dealer or investment adviser, or is subject
18 to an adjudication of mental incompetence or to the control of a committee or conservator or
19 guardian, or cannot be located after reasonable search, the commissioner may by order
20 summarily revoke the certificate of that broker-dealer or investment adviser.

21 13. The investment adviser certificate of Asset Strategies and Management, Inc., (CRD
22 number 104723) issued by the California Department of Business Oversight is hereby summarily
23 revoked by the Commissioner pursuant to Corporations Code Section 25242(b).

24 This Order is necessary in the public interest, for the protection of investors, and consistent
25 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

26 Dated: October 28, 2014

JAN LYNN OWEN
Commissioner of Business Oversight

27 By _____
MARY ANN SMITH
28 Deputy Commissioner
Enforcement Division

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

**CONSENT BY MICHAEL G. HOLT
AND ASSET STRATEGIES AND MANAGEMENT, INC. TO ENTRY OF BAR AND
REVOCAION ORDER ISSUED BY THE DEPARTMENT OF BUSINESS OVERSIGHT**

Michael G. Holt (“Holt”) individually and on behalf of Asset Strategies and Management, Inc. (“ASM”) hereby acknowledges that he has been served with a copy of this Consent Order (“Order”), has read the foregoing Order, is aware of his right to a hearing and appeal in this matter, elects to permanently waive any right to a hearing and appeal including those under California Corporations Code sections 25232, 25232.1 and 25233 and to judicial review of this matter pursuant to California Code of Civil Procedure Section 1094.5 with respect to the issuance of this Bar and Revocation Order.

Holt and ASM admit the jurisdiction of the Department of Business Oversight (“Department”), and consent to entry of this Order by the Department as settlement of the issues contained in this Order.

Holt acknowledges that this Order will be a matter of public record.

Holt states that no promise of any kind or nature whatsoever was made to him to induce him to enter into this Order and that he has entered into this Order voluntarily.

Dated: October 18, 2014

By _____
Michael G. Holt, Individually and on Behalf of
Asset Strategies and Management, Inc.

SUBSCRIBED AND SWORN TO before me this 18th day of October, 2014.

Matthew Dejong
Notary Public

My Commission expires: 09/17/2017