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**BEFORE THE DIVISION OF SECURITIES  
OF THE DEPARTMENT OF COMMERCE  
OF THE STATE OF UTAH**

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**IN THE MATTERS OF:**

TAX LIEN AGENTS, INC.;  
NED B. MAJORS;  
**FRANKLIN INVESTMENT GROUP;**  
**RON HAVENER;** and  
**LAVONNE MALONEY,**

Respondents.

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NATIONAL TAX LIEN AGENTS, INC.  
NED B. MAJORS,  
ASKFRANKLIN, LLC, and  
**LAVONNE MALONEY**

Respondents.

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**STIPULATION AND CONSENT  
ORDER**

Docket No. SD-03-0002  
Docket No. SD-03-0003  
**Docket No. SD-03-0004**  
**Docket No. SD-03-0005**  
**Docket No. SD-03-0006**

Docket No. SD-04-0011  
Docket No. SD-04-0012  
**Docket No. SD-04-0013**  
**Docket No. SD-04-0014**

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The Utah Division of Securities (the Division), by and through its Director of Enforcement, Michael Hines, and Ron Havener, Lavonne Maloney, Franklin Investment Group, and Ask Franklin, LLC hereby stipulate and agree as follows:

1. Ron Havener and Lavonne Maloney (the Haveners), Franklin Investment Group and AskFranklin, LLC (Franklin) were the subject of two separate investigations conducted by the Division into allegations that they violated certain provisions of the Utah Uniform Securities Act (the Act), Utah Code Ann. § 61-1-1, *et seq.*, as amended. Those investigations resulted in two separate formal adjudicative proceedings against them that were commenced in 2003 and 2004, identified above as SD 03-0004, SD 03-0005, SD 03-0006; SD 04-0013, and SD 04-0014. The Division sought a cease and desist order as well as fines in a combined amount of \$50,000.
2. The Haveners and Franklin disputed the allegations and requested a hearing to challenge those allegations. The cases were consolidated and a hearing was commenced before Administrative Law Judge Steve Eklund on March 26, 2008. Majors, TLA, NTLA and Maloney did not appear. Mr. Havener appeared in person and represented himself and Franklin. Over the objection of the Division, Mr. Havener was also provisionally allowed to represent his wife. Default was entered against Majors, TLA and NTLA. The Division was represented by Assistant Attorney General Jeffrey Buckner.
3. During the hearing, the Haveners and Franklin agreed to resolve the matters against them and all claims and defenses the parties have or may have had against each other by way of a Stipulation and Consent Order.
4. By agreeing to resolve the matter by way of a Stipulation and Consent Order, the

Haveners and Franklin waive their right to any further hearing in this matter, including the right to challenge the Division's evidence, to call their own witnesses, to testify on their own behalf, to present any further evidence or argument, and to have the matter adjudicated and decided by a hearing officer. The Haveners and Franklin also waive their right to seek agency review or appellate review.

5. The Haveners and Franklin enter into this Stipulation voluntarily, and acknowledge that no promises or threats have been made by the Division, nor by any member, officer, agent, or representative of the Division, to induce them to enter into this Stipulation and Consent Order other than as described in the Order.
6. The Haveners have read the Stipulation and Consent Order and understand its contents.
7. The Haveners and Franklin are not currently represented by an attorney, but have been represented by one and have had the opportunity to consult with one about this Stipulation and Consent Order.

#### THE DIVISION'S INVESTIGATIVE FINDINGS

Case Nos. SD 03-0004, SD 03-0005, SD 03-0006

8. Tax Lien Agents, Inc. (TLA) is a South Carolina Corporation with a principal place of business in Myrtle Beach, South Carolina. The primary business activity of TLA centers around the bidding and buying of "tax lien certificates" at city and county tax lien auctions throughout the United States.

9. Ned B. Majors (Majors) is the sole shareholder and registered agent of TLA. Majors lives in South Carolina.
10. Ronald Havener (Havener) and Lavonne Maloney (Maloney)(collectively the “Haveners”) are residents of Utah and live in Salt Lake County.
11. In January of 2003, the Haveners conducted investment seminars for TLA in Utah under the name of Franklin Investment Group (Franklin). The Haveners were investors with TLA.
12. At these seminars, the Haveners showed part of a video with Ned Majors and a slide show about the purported benefits and earning potential of investing in delinquent tax liens through TLA’s investment opportunity.
13. In their seminars and website, the Haveners promoted buying “tax lien certificates” through TLA as an investment that is safe, risk free, liquid and convenient way to produce income and growth compared to stocks and bonds because it “always works,” involves no speculation and a typical investor earns between 8-25 percent on his investment or automatically becomes the owner of the lien property.
14. In order to invest, investors sign an “agency contract.” TLA has several versions of the same contract. There is no material difference between these versions. The Haveners provide copies of the contract as well as contact information for them and TLA at their website [www.askfranklin.com](http://www.askfranklin.com) at these seminars.

15. Both the TLA “agency contract” and the transaction constitute a profit sharing agreement.

16. The website contained many of the same statements, misrepresentations and omissions

Majors made on the TLA video tape, some of which are listed below:

- a. acquiring choice or highly valuable properties at significantly discounted prices, as Majors claims, is not typical of what investors buy. Some properties are virtually worthless;
- b. Majors did not get a doctorate in tax lien law and John Marshall Law School (the law school Majors says he graduated from), does not offer a course or a degree in tax lien law;
- c. Majors failed to disclose the existence of a state bar disciplinary proceeding against him and his disbarment;
- d. investors do not always make money on tax lien certificates and do not always earn between eight and twenty-five percent; some might earn nothing; some may earn only a few percentage points; the property may be worth only the amount of the tax lien or less than the tax lien and virtually worthless because of an environmental problem;
- e. investments in tax lien certificates do not automatically eliminate all other liens, such as IRS or DEA liens;
- f. Although Majors told investors he does not “touch” their money, Majors deposited

investors' money into his own IOLTA account, commingled client funds deposited in his IOLTA account into one general pool and used the money to pay personal bills, buy a house, make improvements, provide gifts to friends, and pay wages to TLAQ employees;

g. Majors also sued a former business partner for embezzling money from the IOLTA account;

17. Neither Havener nor Maloney disclosed the material facts mentioned in paragraph 16 to investors.
18. The investment opportunity offered in TLA was and is a security under the Utah Uniform Securities Act.
19. The security has never been registered in the State of Utah nor does it qualify for an exemption.
20. The Haveners have never been licensed to sell securities in the State of Utah.
21. In January 2004, the South Carolina Securities Commission determined that the investment opportunity sold by Majors and TLA was a security. The decision was later affirmed by the Supreme Court of South Carolina. *Majors v. South Carolina Securities Comm'n*, 644 S.E.2d 710 (2007) *cert denied* \_\_\_ U.S. \_\_\_ 128 S. Ct. 441 (2007) *petition for reh'g denied* \_\_\_ U. S. \_\_\_, 128 S. Ct. 969 (2008). South Carolina had adopted the Uniform Securities Act. The South Carolina Act is substantially the same as

the Utah Act.

Case Nos. SD 04-0013, SD 03-0014

22. National Tax Lien Agents, Inc. (NTLA) is a Georgia corporation with a principal place of business in Marietta, Georgia. NTLA is a successor or a related entity to TLA and Majors. The primary business activity of NTLA is the same as TLA.
23. Ned B. Majors (Majors) is the sole shareholder of NTLA. Majors is a resident of Myrtle Beach, South Carolina.
24. AskFranklin, LLC (AskFranklin) is a Delaware limited liability company. AskFranklin was organized in 2003 “to promote and market the services of Tax Lien Agents, Inc.”
25. Although AskFranklin was not formally organized until October 2003, the Haveners had used the name as early as January 2003 at the investment seminars described in ¶ 11 above. AskFranklin had also partnered with NTLA to market the investment opportunity with NTLA and TLA and had a website [www.askfranklin.com](http://www.askfranklin.com). The website was slightly modified from the earlier site, but was essentially the same. It contained many of the same statements about the purported benefits of investment in so-called “tax lien certificates” through TLA as well as the misrepresentations and omissions Majors made on the TLA video tape. Lavonne Malone was the registered contact for the website.
26. On March 24, 2004, Maloney offered the investment opportunity in NTLA from her home in Utah to undercover officers in Idaho and Wyoming in three separate recorded telephone

calls.

27. The investment opportunity offered in NTLA and TLA was and is a security under the Utah Uniform Securities Act.
28. The security has never been registered in the State of Utah.
29. Maloney has never been licensed to sell securities in the State of Utah.

#### The Division's Conclusions

30. Based on the Division's investigative findings, the Division concludes that:
  - a. The investment opportunity offered or sold by the Haveners and Franklin was and is a security as investment contract under § 61-1-13 of the Act;
  - b. The security was not and is not registered in violation of § 61-1-7.
  - c. The Haveners and Franklin are not nor have they ever been licensed to sell securities in the State of Utah in violation of § 61-1-3.
  - d. The Haveners and Franklin omitted material facts in violation of § 61-1-1(2).
31. The Haveners and Franklin neither admit nor deny the substance of the Division's investigative findings and conclusions, but consent to the Division entering an Order:
  - a. Requiring the Haveners, Franklin, their successors and assigns to cease and desist from engaging in any further conduct in violation of the Utah Securities Act.
  - b. Requiring the Haveners and Franklin, their successors and assigns to pay a fine of twenty-five thousand dollars (\$25,000) to the Division of Securities. The fine will

be waived in its entirety if the Haveners, Franklin, their successors and assigns do not violate the Act within three years from the execution of this Consent Order. If the Haveners, Franklin, their successors or assigns violate any provision of the Act within the three year period, the full amount of the fine will be due to the Division within one month of the date the Division gives the Haveners, Franklin, their successor and assigns written notice of the violation.

30. The Haveners and Franklin acknowledge that this Consent Order, upon approval by the Division Director, shall be the final compromise and settlement of all claims and defenses in this matter. The Haveners and Franklin further acknowledge that if the Division Director does not accept the terms of the Consent Order, it shall be deemed null and void and without any force or effect whatsoever.
31. The Haveners and Franklin acknowledge that the Consent Order does not affect any civil or arbitration causes of action that third parties may have against them arising in whole or in part from their actions, and that the Consent Order does not affect any criminal cause of action that a prosecutor might bring.
32. This Consent Order constitutes the entire agreement between the parties herein and supersedes and cancels any and all prior negotiations, representations, understandings, or agreements between the parties. There are no verbal agreements which modify, interpret, construe, or otherwise affect this Consent Order in any way.

33. The Haveners and Franklin represent that any information they have provided to the Division is accurate and complete to the best of their knowledge, and if the Division finds otherwise, the Haveners and Franklin acknowledge that this Consent Order may be deemed null and void and without any force or effect whatsoever.
34. A willful violation of this Consent Order is a third degree felony pursuant to § 61-1-21(1) of the Act.

Utah Division of Securities

Date:

5/3/08

By:

  
Michael Hill  
Director of Enforcement

Approved:

  
Jeffrey Buckner  
Assistant Attorney General

RESPONDENTS:

Date:

MAY 4, 2008

By:

Ron Havener



Date:

MAY 4, 2008

  
Lavonne Maloney

Franklin Investment Group, AskFranklin,  
LLC

Date: May 4, 2008

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Their Lavonne Maloney

**ORDER**

Pursuant to the terms of the Stipulation and Consent Order defined above, the Director of the Utah Division of Securities hereby orders that:

- a. Ron Havener, Lavonne Maloney, Franklin Investment Group, and AskFranklin, LLC, CEASE and DESIST from engaging in any further conduct in violation of the Utah Securities Act.
  
- b. Ron Havener, Lavonne Maloney, Franklin Investment Group, and AskFranklin, LLC pay a fine of twenty-five thousand (\$25,000) to the Division of Securities within thirty days. The fine will be waived in its entirety if the Haveners, Franklin, their successors and assigns do not violate the Act within three years from the execution of this Consent Order. If the Haveners, Franklin, their successors or assigns violate any provision of the Act within the three year period, the full amount of the fine will be due to the Division within one month of the date the Division gives the Haveners, Franklin, their successor and assigns written notice of the violation.

DATED this 15<sup>TH</sup> day of May, 2008.



THAD LEVAR

Acting Director, Utah Division of Securities

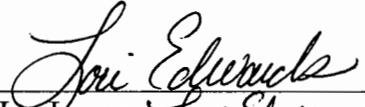


**Certificate of Mailing**

I, ~~Ina Jensen~~ <sup>Lori Edwards</sup>, certify that on the 23<sup>rd</sup> day of May 2008, I served a copy of the

**Stipulation and Consent Order** by mailing a copy to:

Ron Havener  
Lavonne Maione  
Franklin Investment Group  
1021 South Fork Drive  
Draper, Utah 84020

  
~~Ina Jensen~~ Lori Edwards