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OFFICE OF
INSURANCE REGULATION

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OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY
DIRECTOR

IN THE MATTER OF:

**RESOURCE FUNDING GROUP, INC.,
EXCELSIOR FINANCIAL, INC.,
SUZANNE P. HILL, ROBERT KINGSTON
COYNE a/k/a ROBERT K. COYNE, R. KINGSTON
COYNE, and BOB COYNE, C. DOUGLAS
YORK a/k/a DOUGLAS YORK, and DOUG
YORK, BETH L. CLAUSE, ANDREW TIMMONS,
BETH ANN YORK, RICHARD W. CHAMPLIN,
FLORENCE L. COYNE, and VIATICAL CAPITAL, INC.,
PREMIERE INVESTMENT CAPITAL, INC.,
INVESTMENT CAPITAL MARKETING, INC.,
VIATICAL MARKETING, INC., AFFINITY
FUNDING GROUP, INC., UNITED FUNDING
RESOURCES, INC. all d/b/a THE LIFE
SETTLEMENT NETWORK, NEW MATURITY DIRECT,
SETTLEMENTS MLS, INC.**

CASE NO.: 68916-03-CO

Respondents.

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IMMEDIATE FINAL ORDER

TO:

**RESOURCE FUNDING GROUP, INC.
900 North 2nd Avenue
Rome, Georgia 30165**

**EXCELSIOR FINANCIAL, INC.
900 North 2nd Avenue
Rome, Georgia 30165**

**SUZANNE HILL
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**ANDREWS TIMMONS
The Life Settlement Network
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VIATICAL CAPITAL, INC.,
d/b/a
THE LIFE SETTLEMENT NETWORK
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PREMIERE INVESTMENT CAPITAL, INC.
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THE LIFE SETTLEMENT NETWORK
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INVESTMENT CAPITAL MARKETING, INC.
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VIATICAL MARKETING, INC.
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AFFINITY FUNDING GROUP, INC.
d/b/a
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UNITED FUNDING RESOURCES, INC.
d/b/a
THE LIFE SETTLEMENT NETWORK
1605 Main Street, Ste. 1001
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NEW MATURITY DIRECT
1860 Blake Street, Suite 220
Denver, CO 80202

SETTLEMENTS MLS, INC.
1605 Main Street, Suite 1109
Sarasota, Florida 34236

THIS CAUSE having come on to be heard by and through the Director of the Office of Insurance Regulation, against the afore-referenced entities and individuals and having been fully informed in the premises, it is hereby

FOUND as follows:

1. The Office of Insurance Regulation, hereinafter referred to as the OFFICE, has jurisdiction over the parties and the subject matter pursuant to § 120.569(2)(n) [Decisions which affect substantial interest], § 624.307 (General powers), § 626.901 (Representing or aiding unauthorized insurer prohibited), § 626.9912 (Viatical settlement provider license required; application for license), § 626.9916 (Viatical settlement broker license required; application for license), § 626.9927 (Unfair trade practices; cease and desist), § 626.99285 (Applicability of insurance code), *Florida Statutes*. As a result of alleged violations by the Respondents of the Florida Insurance Code, the Office has caused an investigation to be made of the insurance-related activities of the Respondents.

2. Pursuant to § 626.9912, *Florida Statutes*, a person may not perform the functions of a viatical settlement provider or enter into or solicit a viatical settlement contract without first having obtained a license from the Office of Insurance Regulation.

3. A viatical settlement provider is defined by Florida Statute 626.9911 (6) as a person who, in this state, from this state, or with a resident of this state, effectuates a viatical settlement contract.

4. Pursuant to § 626.9916, *Florida Statutes*, a person may not perform the functions of a viatical settlement broker without first having obtained a license from the Department of Financial Services.

5. A viatical settlement broker is defined by Florida Statute 626.9911(4) as a person who, on behalf of a viator and for a fee, commission, or other valuable consideration, offers or attempts to negotiate viatical settlement contracts between a viator resident in this state and one or more viatical settlement providers.

6. Respondent, Andrew Timmons, received a Viatical Settlement Broker license on July 16, 2002. A copy of the license status of this individual is attached as **Exhibit "A"**.

7. The President of Resource Financial Group, Suzanne Pierson Hill, received a Viatical Settlement Broker license on May 16, 2001. A copy of the license status of this individual is attached as **Exhibit "B"**.

8. Excelsior Financial Inc. received a Viatical Settlement Broker license on September 8, 2000. A copy of the license status of this entity is attached as **Exhibit "C"**.

9. On or about April 12, 1999, Joel M. Grossman, a resident of Altamonte Springs, Florida, entered into a viatical settlement agreement to sell his life insurance policy to Resource Funding Group, Inc. According to this contract, the accounting firm of Mills, Potoczak & Co. was to act as the escrow agent. Copies of the contract, change of ownership forms and related documents are attached as **Exhibit "D"**.

10. Resource Funding Group, Inc. is a Georgia Corporation, which was created in 1999 by C. Douglas York and R. Kingston Coyne. This corporation applied for a Viatical Settlement Providers License on July 31, 2000. On December 1, 2000, the Department of Insurance advised Resource Funding Group, Inc. that its application was going to be denied. As a result of that

notification, Resource Funding Group, Inc. withdrew its application. A copy of the application page and related correspondence is attached as **Exhibit "E"**.

11. Resource Funding Group, Inc. applied for a Viatical Settlement Brokers license on January 6, 2003. Suzanne P. Hill signed this application as its president. A copy of the application, which includes information concerning the corporation, is attached to this order as **Exhibit "F"**. The Articles of Incorporation reveal that the two named original incorporators, Robert K. Coyne and C. Douglas York, used a Florida Post Office Box of 25415 at Sarasota, FL, 34277 as their residence. The new corporate officers are Suzanne P. Hill as President and Secretary, Beth Ann York as Vice-President, Beth L. Clause, Vice-President and Richard Champlin as Treasurer. Although these documents show that Robert K. Coyne and C. Douglas York resigned their positions as Officers and Directors, they retained voting rights. This application also revealed that some of the voting rights were transferred to Florence L. Coyne and Beth Ann York, relatives of the two original incorporators, Robert K. Coyne and C. Douglas York.

12. On letterhead identified as belonging to The Life Settlement Network, Andrew Timmons, on August 5, 2002, sent an inquiry to a Florida resident about purchasing this individual's life insurance policy. A copy of the letter is attached as **Exhibit "G"**. The letter makes reference that The Life Settlement Network has a sister company named the Resource Funding Group which would be involved in the purchase.

13. The Life Settlement Network is a registered fictitious name with the Florida Secretary of State for the Florida corporations of Premiere Investment Capital, Inc., Investment Capital Marketing, Inc., Viatical Capital, Inc., Viatical Marketing, Inc., Affinity Funding Group, Inc. and the United Funding Resources, Inc. All of these named Florida corporations were organized and/or owned by Robert Kingston Coyne and/or C. Douglas York. Copies of the

Fictitious Name Registrations are attached as **Exhibit "H"**. This exhibit also reflects that all of these corporations share the same main address of 1605 Main Street, Sarasota, FL 34236. The only difference in addresses are different suite numbers.

14. On November 21, 2002, a seminar was given by Resource Funding Group, Inc., aimed at soliciting Florida residents to sell their life insurance policies. An investigator for the Department of Financial Services attended the seminar. A copy of the affidavit of this investigator and the brochures and soliciting materials obtained at this seminar are attached as **Exhibit "I"**.

15. At the November 21, 2002 seminar, Andrew Timmons represented himself as the Marketing Director for Resource Funding Group.

16. On January 16, 2003, a seminar was given by Excelsior Financial Inc. aimed at soliciting Florida residents to sell their life insurance policies. An investigator from the Department of Financial Services attended the seminar. A copy of the affidavit of this investigator and a copy of the brochures and soliciting materials that were obtained at the seminar are attached as **Exhibit "J"**. The materials given out in the January 16, 2003 seminar were virtually the same as the materials given out at the seminar in November of 2002. The only difference was that the January 2003 materials had a sticker with the new name of Excelsior Financial placed over the name of Resource Funding Group, Inc., on the cover page. Much of the January handouts still made reference to Resource Funding Group, Inc.

17. As of August 17, 2003, Resource Funding Group, Inc. was advertising itself as a potential purchaser of life insurance policies over the Internet. Further, Resource Funding Group, Inc. is using an entity known as the New Maturity Direct to market to elderly citizens. A copy of the web advertisement and link to the marketing company is attached as **Exhibit "K"**.

18. As of August 28th 2003, a company known as Settlement MLS, Inc. is advertising as an internet-based multiple listing service available to subscribing Life Settlement Providers and Brokers and other interested entities and individuals. A copy its web pages are attached as **Exhibit "L"**.

19. The address of Settlements MLS, Inc. is 1605 Main Street, Suite 1109, Sarasota, FL. 34236 and was also started by R. Kingston Coyne and C. Douglas York. A copy of its corporate status filed with the Florida Secretary of State is attached as **Exhibit "M"**.

20. Settlements MLS, Inc. is assisting in the resale of the same viatical settlement contracts which were procured by the same unauthorized entities named herein.

21. The solicitation and purchasing of life insurance policies from a viator directly to another person or entity, requires a licensed Viatical Settlement Provider to be involved.

22. The Office of Insurance Regulation has not issued Viatical Settlement Provider licenses to any of the Respondents, although the evidence attached and considered with this order clearly reflects that all entities were acting as unlicensed Viatical Settlement Providers and/or were aiding such unlicensed Viatical Settlement Providers. The materials provided by Resource Funding Group, Inc. and Excelsior Financial Inc. (See exhibits H & I), admit that a Viatical Settlement Provider is any entity that buys a life insurance contract.

23. Florida Statute 624.10 defines "transacting insurance" as including the solicitation or inducement, preliminary negotiations, effectuation of a contract of insurance and transaction of matters subsequent to effectuation of a contract of insurance and arising out of it.

24. Pursuant to the provisions of the Florida Statutes regulating Viatical Settlements, §§ 626.991 through 626.99295, and in particular § 626.99285 *Florida Statutes*, the OFFICE, has authority under § 624.310, *Florida Statutes* (Enforcement), § 626.901, *Florida Statutes* (Representing or aiding unauthorized insurer prohibited) and § 626.989, *Florida Statutes*

(Investigation by department or Division of Insurance Fraud; compliance; immunity; confidential information; reports to division; division investigator's power of arrest) to regulate viatical settlement providers, viatical settlement brokers, viatical settlement sales agents, viatical settlement contracts, viatical settlement purchase agreements and viatical settlement transactions.

25. All of the named Respondents have solicited, induced, and negotiated viatical settlement contracts in every aspect from and within the state of Florida without any license to do so.

26. By transacting viatical business without a license, the Respondents have violated § 626.901, *Florida Statutes*. Additionally, § 626.902, *Florida Statutes* provides that any violation of § 626.901, *Florida Statutes*, by any person, is a felony.

27. By transacting viatical business without a license, the Respondents have violated § 626.9927, (unfair trade practices) *Florida Statutes*.

28. Pursuant to § 120.569(2)(n), *Florida Statutes*, the Director of the Office of Insurance Regulation finds that the continued transaction of insurance without a Viatical Settlement Provider License by any of the Respondents, and the aiding and abetting of said entities and individuals, and the continued violations of the Florida Insurance Code, as cited herein, constitutes an immediate danger to the public welfare so as to require the issuance of this Immediate Final Order. Further, the Director of the Office of Insurance Regulation finds that the continued involvement of all of the Respondents to market and transact unauthorized viatical insurance business, not only presents an immediate grave danger to the public, but also is a willful, civil and criminal, violation of the Insurance Code pursuant to § 629.901, *Florida Statutes*.

Accordingly, **IT IS HEREBY ORDERED:**

(A) The Respondents, their predecessors, successors, assignees or any individual and or entity associated with these entities, whether acting in the State of Florida as a viatical settlement provider or broker, a purchasing group, a risk retention group, an insurance agent, an insurance agency, an insurance adjuster, a third-party administrator, a managing general agent, or otherwise engaging in the business of insurance, either directly or indirectly through named and unnamed persons, entities, agents, or otherwise, shall forthwith **CEASE** and **DESIST** from the transaction of any new viatical insurance business, including acting or holding itself out to be a viatical settlement provider or viatical settlement broker. Respondents, shall **CEASE** and **DESIST** from the transaction of any new or current viatical business of the Respondents, any of its predecessors, successors, assignees or any individual and or entity associated with these entities.

B). The Respondents, any of its predecessors, successors, assignees or any individual and or entity associated with these entities, shall forthwith notify, in writing, each and every viator, policyholder, agent, investor, broker, salesperson, and other marketing outlet of the cessation of the Florida business of the Respondents, its predecessors, successors and assignees, because they are unlicensed, and shall also inform such persons and entities that no further applications will be accepted nor contracts issued. All parties subject to this Order shall furnish for approval or edit a draft of such notification to the OFFICE within five (5) days of this Immediate Final Order. They shall thereafter, within five (5) days of receipt by mail or by fax of the OFFICE's approval or edits, mail such letter (in revised form if edited by the OFFICE) to all such agents, brokers, salespersons, and other marketing outlets, and shall immediately thereafter file the sworn attestations of each officer, director, general partner, member, and limited partner of the Respondents, its predecessors, successors and assignees, that there has been full compliance with this provision.

C). Resource Funding Group, Inc., its predecessors, successors or assignees, and all named Respondents shall, within fifteen (15) calendar days from the date hereof, deliver to the OFFICE a full and complete accounting of all life insurance contracts purchased, sold, negotiated and/or held out to investors since the inception of its operation in Florida; copies of all relevant contracts and documents relating to the sale, the purchases and the investments using viatical contracts; and a list of all persons or entities used to solicit the business in Florida and a list of all Florida policy holders and investors affected.

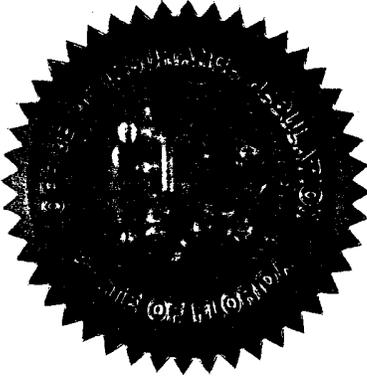
D). Subject to the other mandates of this Immediate Final Order, Resource Funding Group, Inc., its predecessors, successors or assignees, and all named Respondents shall continue to be responsible for the payment of any premiums due on life insurance policies sold and otherwise for the timely fulfillment of its contractual obligations to each person or entity affected by the conduct of the Respondents until all Florida claims by Florida policyholders and investors have been paid or until further action or order of the OFFICE to the contrary. For the protection of the public, and to preserve the books, records and assets of Resource Funding Group, Inc., its predecessors, successors or assignees, shall NOT take or permit any action that might waste, conceal or otherwise dispose of the assets, property, books, records, and accounts of all of the named Respondents, their predecessors, successors, and assignees.

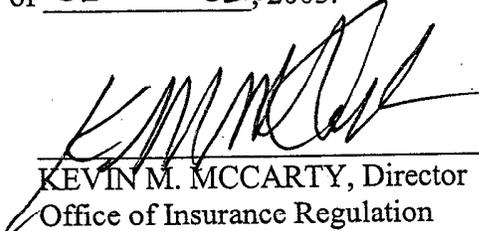
E). The entry of this Immediate Final Order, or any amendment thereto, shall not be interpreted as having, nor shall it have, the effect of abrogating any statutory, common law, or contractual rights of any person or entity affected by the sales, purchasing or investing of viatical settlement contracts and life insurance policies.

F). The issuance of this Immediate Final Order and the procedural safeguards set forth herein are concluded to be fair under the circumstances due to the potential grave harm resulting from unauthorized insurance entities engaging in the business of insurance in Florida. As

indicated in the Notice of Rights herein, the Respondents are afforded the opportunity to appeal this Order or to enjoin this Order pursuant to Section 120.569 (2)(n), Florida Statutes.

DONE and ORDERED this 9th day of SEPTEMBER, 2003.





KEVIN M. MCCARTY, Director
Office of Insurance Regulation

NOTICE OF RIGHTS

Any party to these proceedings adversely affected by this Order is entitled to seek review of this Order pursuant to Section 120.68, Florida Statutes, and Rule 9.110, Fla.R.App.P. Review proceedings must be instituted by filing a petition or notice of appeal with the General Counsel of the Office of Insurance Regulation, acting as the agency clerk, at 612 Larson Building, Tallahassee, Florida 32399-4206, and a copy of the same with the appropriate district court of appeal, within thirty (30) days of rendition of this Order. All correspondence or requests for hearing should contain the case number and/or style of the case as listed on page one of this order.

CERTIFICATE OF SERVICE

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VIATICAL MARKETING, INC.

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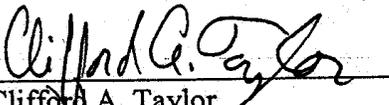
Sarasota, Florida 34236

SETTLEMENTS MLS, INC.

1605 Main Street, Suite 1109

Sarasota, Florida 34236

I HEREBY CERTIFY that a true and correct copy of the foregoing Immediate Final Order has been sent to the Florida Secretary of State pursuant to § 626.909, *Florida Statutes* and by registered mail pursuant to § 626.907(1) & (2) this 9th day of SEPTEMBER, 2003 to the above-referenced individuals and entities.


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