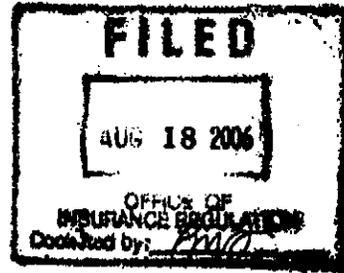




OFFICE OF INSURANCE REGULATION

KEVIN M. MCCARTY  
COMMISSIONER



In the matter of:

VESPERS, LLC,  
(F/K/A) VIATICAL & ELDERLY  
SETTLEMENT PROVIDERS, LLC,  
(F/K/A) NATIONAL INSURANCE  
DEPOSIT EXCHANGE, LLC,

and

Case No. 82269-05

RONALD JOHN CHANCELLOR

**CONSENT ORDER**

THIS CAUSE came on for consideration as the result of an agreement between **VESPERS, LLC** (hereinafter referred to as "**VESPERS**"), **RONALD JOHN CHANCELLOR** (hereinafter referred to as "**CHANCELLOR**") and the **OFFICE OF INSURANCE REGULATION** (hereinafter referred to as the "**OFFICE**"). Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the Commissioner of the Office of Insurance Regulation, as head of the **OFFICE**, hereby finds as follows:

1. The **OFFICE** has jurisdiction over the subject matter of and parties to this proceeding.
2. **VESPERS** is a foreign limited liability company domiciled in the District of Columbia and has never been authorized to engage in the business of insurance as a viatical settlement provider or any other kind of insurer in the State of Florida.

3. **CHANCELLOR** is a managing member of **VESPERS** and was issued a license as a Florida non-resident viatical settlement broker (license #A044956) on January 7, 1998.

**CHANCELLOR** was so-licensed as of November 14, 2005.

4. On November 14, 2005, the Office of Insurance Regulation issued an Order to Cease and Desist and for Fines and Penalties ("Order to Cease and Desist") against **VESPERS**, **CHANCELLOR**, and other named entities, alleging that **VESPERS** and **CHANCELLOR** had transacted the business of insurance as a viatical settlement provider without the necessary authorization.

5. **VESPERS** and **CHANCELLOR** were served with the Order to Cease and Desist, and on December 7, 2005, through counsel, preserved their rights by filing a Request for Formal Administrative Proceedings pursuant to Sections 120.569 and 120.57, Florida Statutes, and Rule 28-106.201, Florida Administrative Code. Pursuant to the request of **VESPERS** and **CHANCELLOR**, the **OFFICE** has not referred the Request for Formal Administrative Proceedings to the Division of Administrative Hearings.

6. On July 14, 2006, the **OFFICE** entered a Final Order to Cease and Desist. Upon execution, the instant Consent Order shall resolve all matters raised in the November 14, 2005 Order to Cease and Desist and the July 14, 2006 Final Order to Cease and Desist. Therefore, this Consent Order supersedes the July 14, 2006 Final Order to Cease and Desist.

7. **VESPERS**, **CHANCELLOR**, and the **OFFICE** have agreed to the entry of this Consent Order and the terms enumerated herein for the purpose of resolving all issues regarding or related to the allegations contained in the November 14, 2005 Order to Cease and Desist without further resort to the administrative process. Accordingly, **VESPERS** and

**CHANCELLOR** hereby withdraw their Request for Formal Administrative Proceedings, dated December 7, 2005.

8. Between December 20, 2000 and July 28, 2003, **VESPERS** entered into eight (8) viatical settlement transactions involving Florida resident viators. Each transaction constitutes a violation of Section 626.9912(1), Florida Statutes. The eight (8) violations are listed in Items 10-13 and 15-18 of the November 14, 2005 Order to Cease and Desist.

9. Each of the aforementioned eight (8) violations constitutes a non-willful violation, subject to a fine of Ten Thousand Dollars and No/100 (\$10,000.00) per violation, pursuant to Section 626.99272(3), Florida Statutes.

10. By executing this Consent Order, **VESPERS** and **CHANCELLOR** expressly waive any and all rights to a hearing, and to any and all other proceedings to which the parties may be entitled by law. **VESPERS** and **CHANCELLOR** hereby knowingly and voluntarily waive all rights to challenge or to contest this Consent Order, in any forum now available, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

11. Except as otherwise provided herein, each party to this action shall bear its own attorney's fees and costs.

12. The parties agree that this Consent Order will be deemed to be executed when the Commissioner of the Office of Insurance Regulation or his designee has signed a copy of this Consent Order bearing the signatures, performed before a Notary, of **VESPERS** or its authorized representative, and **CHANCELLOR**.

13. **VESPERS** and **CHANCELLOR** agree that upon the execution of this Consent Order, they shall be subject to the following terms and conditions:

- (a) Effective immediately, **VESPERS** and/or **CHANCELLOR** shall no longer transact business as a viatical settlement provider and/or broker in Florida, from Florida, or with any resident(s) of Florida, and shall no longer solicit, negotiate, or effectuate contracts for any insurance product, unless properly authorized by the **OFFICE**;
- (b) **VESPERS** shall pay a penalty in the amount of **Eighty Thousand Dollars and No/100 (\$80,000.00)**, plus administrative costs in the amount of **Five Thousand Dollars and No/100 (\$5,000.00)**, on or before the thirtieth (30<sup>th</sup>) day after which this Consent Order is executed;
- (c) **VESPERS** shall not apply for a license in Florida as a viatical settlement provider, nor shall **VESPERS** obtain an ownership interest of any type, either directly or indirectly, in a Florida-licensed viatical settlement provider for a period of no less than five (5) years from the date on which this Consent Order is executed. At the expiration of the prohibition period, **VESPERS** may apply for any such license, but shall not automatically be granted a license to transact business in Florida, either as a viatical settlement provider or otherwise. Any future application for licensure by **VESPERS** is subject to all the terms, conditions and limitations set forth in applicable statutes and rules.

14. In connection with its most recent application for licensure (subsequently withdrawn), **VESPERS** made a deposit with the Florida Department of Financial Services in an initial amount of One Hundred Thousand Dollars and No/100 (\$100,000.00). The initial deposit and any accrued interest are still in the custody of the State. Subject to its timely payment of the

above-referenced penalties and costs, **VESPERS** has met all conditions precedent to secure release of its statutory deposit and any applicable interest accrued thereon. Further, upon **VESPERS'** timely payment of the above-referenced penalties and costs, the **OFFICE** shall notify the Department of Financial Services that the **OFFICE** does not object to release of **VESPERS'** statutory deposit, including interest accrued thereon.

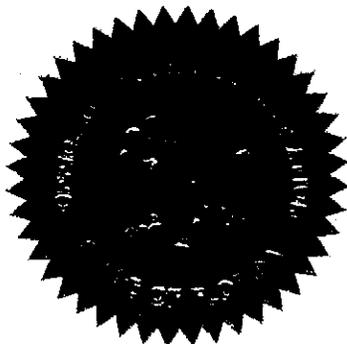
15. **VESPERS** and **CHANCELLOR** agree that the failure to adhere to one or more of the foregoing terms and conditions of this Consent Order shall constitute a violation of a lawful order of the **OFFICE**, and shall subject **VESPERS** and/or **CHANCELLOR** to such action as the **OFFICE** may deem appropriate.

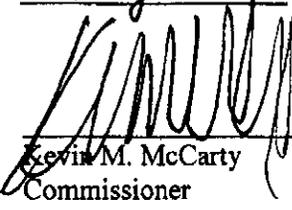
16. **VESPERS** and **CHANCELLOR** are hereby placed on notice of the requirements of the above-referenced sections of law and agree that any future violations of these sections by **VESPERS** and/or **CHANCELLOR** may be deemed willful, subjecting **VESPERS** and/or **CHANCELLOR** to appropriate penalties.

17. **THEREFORE**, the agreement between **VESPERS**, **CHANCELLOR**, and the **OFFICE**, the terms and conditions of which are set forth above, is approved.

WHEREFORE, all terms and conditions above are hereby **ORDERED**.

**DONE and ORDERED** this 18<sup>th</sup> day of August 2006.



  
\_\_\_\_\_  
Kevin M. McCarty  
Commissioner  
Office of Insurance Regulation

By execution hereof, VESPERS, LLC consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that he or she has the authority to bind VESPERS, LLC to the terms and conditions of this Consent Order

VESPERS, LLC  
[Handwritten Signature]  
(Signature)

Official Seal

By: Ronald John Chancellor  
Title: Managing Member  
Date: 8/14/06

~~STATE OF~~ District of Columbia  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this 11<sup>th</sup> day of August 2006,  
by Ronald John Chancellor as Managing Member for VESPERS, LLC., who is

Personally known to me or  Produced Identification

Type of Identification Produced Driver's License

and who  did/  did not take an oath.

[Handwritten Signature]  
(Signature of Notary)  
Naqikah B. Williams  
(Print, Type or Stamp Commissioned Name of Notary)

Naqikah R. Williams  
Notary Public, District of Columbia  
My Commission Expires 10-14-2010

[NOTARIAL SEAL]

My Commission Expires

By execution hereof, **RONALD JOHN CHANCELLOR** consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein.

By:   
**RONALD JOHN CHANCELLOR**

Date: 5/17/06

STATE OF Washington DC

COUNTY OF \_\_\_\_\_

Sworn and attested to before me on this 8th day of August 2006.

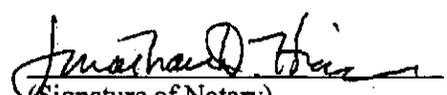
by Jonathan D. Higgins  
(Name of person)

who is:

Personally known to me or  Produced Identification

Type of Identification Produced Florida DL /ID Number C524-730-41-172-0

and who  did/  did not take an oath.

  
(Signature of Notary)

**Jonathan D. Higgins**  
Notary Public, District of Columbia  
My Commission Expires 10-14-2010

(Print, Type or Stamp Commissioned Name of Notary)

[NOTARIAL SEAL]

My Commission Expires:

COPIES FURNISHED TO:

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