



OFFICE OF INSURANCE REGULATION

KEVIN McCARTY  
DIRECTOR

**FILED**

MAY 6 2003

OFFICE OF INSURANCE REGULATION  
Petitioner

Docketed by: 

v.

Case No. 63382-02-CO

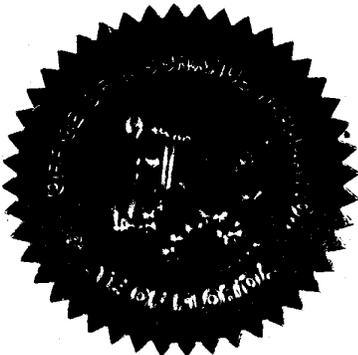
WM. PAGE & ASSOCIATES, INC.  
Respondent

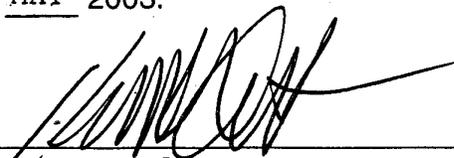
CONSENT ORDER

This cause came on before the Director of the Office of Insurance Regulation for consideration and approval of the Settlement Stipulation For Consent Order (the Stipulation) previously entered into by the parties hereto. Having reviewed the Stipulation and the record, and being otherwise apprised in all material premises,

IT IS HEREBY ORDERED that the Stipulation is approved, and all the terms and conditions thereof are hereby incorporated by reference, and adopted into and made a part of this Consent Order, and, further, are hereby ORDERED.

DONE AND ORDERED this 6th day of MAY 2003.



  
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Kevin M. McCarty  
Director, Office of Insurance Regulation



OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY  
DIRECTOR

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WM. PAGE & ASSOCIATES, INC.

Respondent

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SETTLEMENT STIPULATION FOR CONSENT ORDER

WHEREAS, on January 2, 2003 the former Department Of Insurance, now the Office of Insurance Regulation Of The Financial Services Commission, Within The Department of Financial Services, (the "OFFICE"), filed an Administrative Complaint against Wm. Page & Associates, Inc. ("PAGE"), a Florida-licensed viatical settlement provider, alleging multiple violations of the Florida Insurance Code, and

WHEREAS, on or about January 27, 2003, PAGE served its Petition For Formal Administrative Hearing in which it denied all material allegations and requested a formal hearing on those matters alleged by the OFFICE, and

WHEREAS, both PAGE and the OFFICE are desirous of amicably settling this matter without the need to resort to the formal hearing process,

IT IS HEREBY STIPULATED AND AGREED that this Settlement Stipulation For Consent Order is subject to the approval of the Director of Insurance, and that upon his approval and without further notice, the Director of Insurance may issue a Consent Order providing for the following:

1. PAGE shall be placed on probation for a period of two years following the execution of a Consent Order ("the Consent Order"), incorporating by reference this Settlement Stipulation For Consent Order, and all the terms and conditions of probation set forth hereinafter.
2. PAGE shall pay to the OFFICE an administrative fine in the amount of \$25,000, payable in two equal installments; at thirty days and sixty days from the execution of the Consent Order.
3. PAGE shall, within thirty days from execution of the Consent Order, pay to the OFFICE the sum of \$9,218.87 for examination expenses previously incurred.
4. During the probationary period PAGE shall reimburse all purchasers of viatical settlement agreements (purchasers) previously charged a tracking and servicing fee the full amount of those fees, provided that said reimbursement may be made in the form of a credit against any premium payment that

may become due from those purchasers during the probationary period. Page will identify those purchasers from whom no such premium will become due during the probationary period, and will fully reimburse those purchasers in the form of a full cash (check) refund to those purchasers within sixty days of the execution of the Consent Order. Likewise, should the credit due any purchaser for tracking and servicing fees exceed the premium payments that will become due during the first twenty-two months of the probationary period, a cash (check) refund in the amount of the difference must be made to the purchaser prior to termination of the probationary period.

5. PAGE shall reimburse all purchasers thus far identified by the OFFICE as having been overcharged premium payments due from them, as well as any other purchasers subsequently identified by either PAGE or the OFFICE as having been subjected to any premium overcharges. Said reimbursement may be made in the form of a credit against any premium payment that may become due from those purchasers during the probationary period. Page will identify those purchasers from whom no such premium will become due during the probationary period, and will fully reimburse those purchasers in the form of a full cash (check) refund to those purchasers within sixty days of the execution of the Consent Order. Likewise, should the credit due any purchaser exceed the premium payments that may become due during the probationary period, a cash (check) refund in the amount of the difference must be made to the purchaser within sixty days of the execution of the Consent Order.

6. PAGE shall, within sixty days from execution of the Consent Order on a form reviewed by and found acceptable to the OFFICE, contractually bind itself not to alter, amend, or in any manner change the identity of certain "irrevocable"

beneficiaries identified on Attachment A hereto, without the written consent of those beneficiaries. This obligation is perpetual and shall survive beyond the probationary period.

7. PAGE shall submit revised forms to the OFFICE for its prior written approval, to reflect any and all changes necessary to provide full and fair disclosure of its business practices to future purchasers, particularly those practices relative to post-sale activities and obligations. PAGE agrees it will not charge any tracking and/or servicing fees with respect to sales occurring on forms that do not include new contractual language approved by the OFFICE.

8. PAGE agrees to promptly report any and all matters referenced in Section 626.989(6), Florida Statutes, as required thereby.

9. PAGE will submit to and agrees to pay the expense of a follow-up examination to be conducted by the OFFICE twelve months after execution of the Consent Order. This provision in no way limits or affects the authority of the OFFICE to otherwise examine or investigate PAGE as provided by law.

10. PAGE and the OFFICE will jointly draft a communication to all affected purchasers informing them of these matters and the OFFICE's role in the same. That communication will be sent by PAGE to those purchasers within thirty days from execution of the Consent Order.

11. Within fifteen (15) days of execution of this Settlement Stipulation For Consent Order, PAGE shall submit to the OFFICE for its review and approval a Corrective Action Plan (the "Plan") which shall provide detailed methods and sequences for accomplishing and fulfilling all terms and conditions of the probation. Execution of

the Consent Order may be delayed until such time as the Plan is approved by the OFFICE, such approval not to be unreasonably withheld. Any such delay will commensurately extend the probation period, but shall not affect PAGE's obligations to perform hereunder.

12. During the probationary period, PAGE shall file quarterly reports with the OFFICE beginning with the first full calendar quarter after execution of the Consent Order. Each report will be due no later than thirty days following each calendar quarter, detailing all progress made towards the attainment and fulfillment of all terms and conditions of the probation. Said reports shall be signed by a corporate officer.

13. Should the OFFICE at any time determine that PAGE is not fulfilling or has not fulfilled any term or condition hereof, it shall provide PAGE specific, written notice of that matter, and PAGE shall have twenty days from the delivery of notice to effectuate rectification. However, for good cause shown by PAGE to the OFFICE, the OFFICE may, at its sole discretion, extend the twenty day period for remedial action on such terms and conditions as the OFFICE deems appropriate. Should PAGE fail to rectify the noticed matters, the OFFICE may then file an administrative action against PAGE alleging that failure as a violation of the Consent Order. At any hearing on those allegations, the burden of proof is shifted and lies with PAGE.

14. By entry into this Settlement Stipulation For Consent Order, PAGE makes no admission of guilt as to any allegation in the Administrative Complaint, and the OFFICE will make no such finding in its Consent Order.

15. PAGE and the OFFICE agree that the execution of this Settlement Stipulation For Consent Order and the Consent Order resolve all issues raised or which could have been raised in this matter relative to the allegations set forth in the Administrative Complaint. The OFFICE represents that, other than to enforce the terms and conditions hereof, it will not in the future file an administrative action against PAGE alleging the same fact bases as alleged in the instant Administrative Complaint based on transactions which pre-date this Settlement Stipulation For Consent Order.

16. PAGE knowingly and voluntarily waives its right to a hearing regarding the matters set forth in the Administrative Complaint.

17. Within one business day of the execution of this Settlement Stipulation for Consent Order, the OFFICE and PAGE shall jointly file a Motion for Relinquishment of Jurisdiction with the Division of Administration Hearing ("DOAH") attaching the executed Settlement Stipulation for Consent Order, and requesting that DOAH relinquish jurisdiction back to the OFFICE for entry of the Consent Order.

18. Neither party will appeal this Settlement Stipulation For Consent Order or the Consent Order to any forum, state or federal, to which it is now or in the future otherwise entitled to take an appeal.

19. This document is a public record and contains information routinely disclosed by the OFFICE.

20. Each party to this proceeding shall bear its own costs and fees, except as otherwise specifically noted herein.

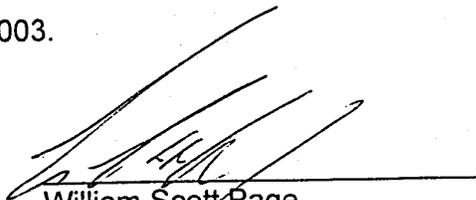
By execution hereof, PAGE consents to entry of the Consent Order, agrees without reservation to all of the terms and conditions herein, and shall be bound

by all provisions herein. The undersigned represents that he has the authority to bind Page to the terms and conditions of this Settlement Stipulation For Consent Order.

ENTERED INTO this 31<sup>st</sup> day of March, 2003.



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