



OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY
DIRECTOR

FILED

APR 18 2007

Dictated by: DOM

IN THE MATTER OF:

NATIONAL FOUNDATION OF AMERICA
RICHARD K. OLIVE
SUSAN L. OLIVE
BREANNA MCINTYRE
ROBERT G. DEWALD

CASE NO. 89911-07

IMMEDIATE FINAL ORDER

TO:

NATIONAL FOUNDATION OF AMERICA
1308 Buckingham Circle
Franklin, Tennessee 37064

RICHARD K. OLIVE
1308 Buckingham Circle
Franklin, Tennessee 37064

SUSAN L. OLIVE
1308 Buckingham Circle
Franklin, Tennessee 37064

BREANNA MCINTYRE
1308 Buckingham Circle
Franklin, Tennessee 37064

ROBERT G. DEWALD
3730 Eagle Hammock Drive
Sarasota, Florida 34240

YOU ARE HEREBY NOTIFIED that pursuant to the Florida Insurance Code, including Section 624.307 of the Florida Statutes, the State of Florida, Office of Insurance Regulation (hereinafter referred to as the "OFFICE") of the Financial Services Commission, has caused an investigation to be made of the insurance-related activities of the NATIONAL FOUNDATION OF AMERICA (hereinafter referred to as "NFOA"), RICHARD K. OLIVE, SUSAN L. OLIVE, BREANNA MCINTYRE and ROBERT G. DEWALD.

As a result of that investigation, the OFFICE finds that:

1. The Office has jurisdiction over the parties and the subject matter pursuant to Sections 120.569(2)(n) (Decisions which affect substantial interests), 624.307 (General Powers and duties), 624.317 (Investigation of agents, adjusters, administrators, service companies and others), 624.318 (Conduct of examination or investigation; access to records; correction of accounts; appraisals), 624.401 (Certificate of Authority), 626.901 (Representing or aiding unauthorized insurer prohibited), and 626.9541 (Unfair or deceptive acts or practices), Florida Statutes.

2. Section 624.401, Florida Statutes, states that no person shall act as an insurer, and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly transact insurance in this state except as authorized by a subsisting Certificate of Authority issued to the insurer by the office.

3. Section 120.569(2)(n), Florida Statutes, provides that "if an agency head finds that an immediate danger to the public health, safety or welfare requires an immediate final order, it shall recite with particularity the facts underlying such finding in the final order..."

4. Records maintained by the Tennessee Secretary of State reflect that NFOA is a nonprofit Tennessee corporation headquartered in Franklin, Tennessee and is engaged in planned

giving or charitable contribution transactions with donors. Corporate records indicate that RICHARD K. OLIVE is the Executive Director for NFOA and SUSAN L. OLIVE is its corporate Secretary. Attached as Composite Exhibit "A" is a copy of records maintained by the Tennessee Secretary of State.

5. Review of OFFICE records reveal that NFOA is currently unlicensed and unauthorized to transact insurance and otherwise solicit, negotiate, procure or effectuate insurance or annuity contracts in Florida. NFOA has never held a license or Certificate of Authority to transact insurance in Florida. A Certificate of Non-Authority is attached as Exhibit "B".

6. Despite the absence of any Certificate of Authority or any other authorization to transact insurance business in Florida, NFOA by and through its officers, RICHARD K. OLIVE and SUSAN L. OLIVE, employee BREANNA MCINTYRE and licensed Florida Insurance Agent ROBERT G. DEWALD has engaged in and is currently engaging in the unlicensed, unauthorized, transaction of insurance and annuity contracts covering consumers located in Florida, in violation of the Florida Insurance Code including, Sections 624.401, and 626.901, Florida Statutes.

7. RICHARD K. OLIVE, SUSAN L. OLIVE and BREANNA MCINTYRE are not licensed as insurance representatives of any type by the State of Florida. Attached as Composite Exhibit "C" is Certificates of Non-Authority for RICHARD K. OLIVE, SUSAN L. OLIVE and BREANNA MCINTYRE.

8. ROBERT G. DEWALD, based in Sarasota, Florida is a licensed Florida insurance agent (License No. A067271) and currently has active appointments with multiple insurers.

Attached as Exhibit "D" is a copy of documents maintained by the Florida Department of Financial Services reflecting the licenses and active appointments for ROBERT G. DEWALD.

9. Section 624.401(4)(a), Florida Statutes, states that it is a felony of the third degree for any person to act as an insurer, transact insurance, or otherwise engage in insurance activities in this state without a certificate of authority. In accordance with Section 626.902(1)(a), Florida Statutes, it is also a third degree felony to aid or represent an unauthorized insurer.

10. Consumer complaint records maintained by the Florida Department of Financial Services, Office of Consumer Services, attached as Composite Exhibit "E", for the time period January 29, 2007 through April 2, 2007 reflect that NFOA by and through its officers, employees and agents from offices located in Franklin, Tennessee in concert with ROBERT G. DEWALD has and is soliciting, misleading, coercing and enticing elderly Florida consumers to transfer and convey legitimate income tax deferred annuities for the benefit of themselves and their heirs to NFOA in exchange for charitable term certain annuities. Such transactions constitute the business of insurance. Contrary to the representations made to Florida consumers, NFOA by and through its officers, employees and agents RICHARD K. OLIVE, SUSAN L. OLIVE, BREANNA MCINTYRE and ROBERT G. DEWALD, each such unauthorized illegal transaction is the commission of a felony and results in substantial financial harm and immediate income tax consequences to Florida consumers.

11. To date, the following consumers have been victims of NFOA's illegal activities in Florida: Michael and Pearl Melofchik; John W. Bartlett; Louise Blevins; Genevieve McCann; Audrey Piel. Transfers of annuities to NFOA by Florida consumers Edna Bishop, Lenora Bricker and Frances Morton were caught in time and have not been processed by the company maintaining their annuity.

12. The affidavit of Audrey Piel attached as Exhibit "F" indicates that she believed ROBERT G. DEWALD was a representative of American Equity Investment Life Insurance Company (hereafter referred to as "American Equity") and that she permitted him to come to her house on December 14, 2006 to talk to her because he told her that he had taken over her agent's accounts. Mrs. Piel indicates that ROBERT G. DEWALD told her he could get her a check every month tax free, but did not tell her she was transferring ownership of her annuity to the NFOA. Mrs. Piel later learned through American Equity that ROBERT G. DEWALD was not a representative of the company, that her account with American Equity had been closed, and that papers she had signed thinking her money was being put into an American Equity product that would pay her more than 3.5% interest in fact transferred ownership of her annuity in the amount of \$23,120.15 to NFOA. After three months of written inquiries from her accountant, NFOA mailed Mrs. Piel a Mutual Recission Contract offering to return \$19,195.63 to her.

13. The affidavit of Genevieve J. McCann attached as Exhibit "G" indicates that ROBERT G. DEWALD initially contacted her by telephone in December 2006 and introduced himself saying that he wanted to speak to her about American Equity. Mrs. McCann knew she had an annuity with American Equity and agreed to the meeting. When they met Mrs. McCann indicated to ROBERT G. DEWALD that she was not interested in a monthly income as she had purchased the annuity for the benefit of her daughter. She later learned that she had unknowingly signed papers transferring her annuity to NFOA and that beginning in February 1, 2007 she was to receive a monthly check from NFOA in the amount of \$193.65. Mrs. McCann indicates as of April 4, 2007, the date of her affidavit, that she has not received any payments from NFOA.

14. In the NFOA transaction involving Louise Blevins, she states that she originally received a telephone call from ROBERT G. DEWALD who stated he would like to make an appointment to review her annuity with her. Mrs. Blevins mistakenly believed he was a representative of the company maintaining her annuity, American Equity. ROBERT G. DEWALD visited Mrs. Blevins accompanied by an unidentified man who took notes. A short time later RICHARD K. OLIVE contacted Mrs. Blevins to arrange an appointment to review her annuity with her. Again, Mrs. Blevins indicates that she believed RICHARD K. OLIVE was from American Equity. RICHARD K. OLIVE brought paperwork with him that he had Mrs. Blevins sign. Mrs. Blevins later learned through American Equity that ROBERT G. DEWALD and RICHARD K. OLIVE were not representatives of American Equity and that she had signed her \$60,000 annuity over to the NFOA.

15. Neither RICHARD K. OLIVE, SUSAN L. OLIVE or BREANNA MCINTYRE are subject to any exception to the requirement of the Florida Insurance Code, including exceptions outlined in Section 624.402 of the Florida Statutes, for licensure to transact insurance in Florida, nor are they subject to any exception to the requirements of the Surplus Lines Law, Sections 626.913 – 626.937, Florida Statutes.

16. Documents related to NFOA's activities in Florida reflect that officers, representatives, employees and agents of NFOA, including, RICHARD K. OLIVE, SUSAN L. OLIVE, BREANNA MCINTYRE and ROBERT G. DEWALD have violated provisions of the Florida Insurance Code, including Section 626.901, Florida Statutes by assisting in the solicitation, negotiation, procurement and transaction of insurance or annuity contracts by an unauthorized entity.

17. The unlicensed, unauthorized, and otherwise illegal transactions by NFOA, RICHARD K. OLIVE, SUSAN L. OLIVE, BREANNA MCINTYRE and ROBERT G. DEWALD presents an immediate danger to the public health, safety or welfare of Florida consumers.

18. NFOA's activities have not been limited to Florida. On or about September 18, 2006, the Commissioner of Insurance for the State of Washington issued Order No. D06-245, attached as Exhibit "H" ordering NFOA, RICHARD K. OLIVE and SUSAN L. OLIVE to cease and desist from engaging in the unauthorized business of insurance in Washington. NFOA did not request a hearing to contest or challenge any of the findings of that order.

19. Based upon the foregoing, the OFFICE finds that NFOA, RICHARD K. OLIVE, SUSAN L. OLIVE, BREANNA MCINTYRE and ROBERT G. DEWALD are engaging in and assisting in the unauthorized transaction of insurance in Florida, and consequently are each engaged in the illegal business of insurance in violation of the Florida Insurance Code including, Sections 624.401, and 626.901, Florida Statutes.

WHEREFORE, pursuant to the Florida Insurance Code and other applicable statutes, including, Sections 120.569(2)(n), Florida Statutes, the OFFICE finds that the continued unauthorized illegal transactions by NFOA as assisted by RICHARD K. OLIVE, SUSAN L. OLIVE, BREANNA MCINTYRE and ROBERT G. DEWALD in violation of the Florida Insurance Code, constitutes an immediate danger to the public welfare so as to require the issuance of this **IMMEDIATE FINAL ORDER**.

Accordingly, **IT IS HEREBY ORDERED:**

A) NFOA, RICHARD K. OLIVE, SUSAN L. OLIVE, BREANNA MCINTYRE and ROBERT G. DEWALD, whether acting directly or indirectly through named or unnamed

persons, entities, agents, or otherwise, shall forthwith **CEASE AND DESIST** from the transaction of any unlicensed, unauthorized, transaction of insurance and annuity contracts covering Florida consumers.

B) NFOA, RICHARD K. OLIVE, SUSAN L. OLIVE and BREANNA MCINTYRE shall within five (5) days of the date this **IMMEDIATE FINAL ORDER** is received notify, in writing, each and every agent, broker, salesperson, and other marketing outlet that is presently or that has in the past been used to solicit, sell, or deliver NFOA products in Florida of the cessation of the Florida business of NFOA, because they are unlicensed, and shall also inform such persons and entities that any pending transfers will not be processed and that no further applications will be accepted nor contracts issued by NFOA, and shall immediately thereafter file with the OFFICE a sworn attestation of each officer and director of NFOA that there has been full and complete compliance with this provision.

C) NFOA shall immediately notify, in writing, each and every Florida consumer that has transferred ownership of an annuity or other interest in real or personal property of any kind whatsoever that ownership of such annuity or other interest in real or personal property will be transferred back to them. NFOA shall effectuate each such transfer within five (5) days of the date this **IMMEDIATE FINAL ORDER** is received, and shall immediately thereafter file with the OFFICE a sworn attestation of each officer and director of NFOA that there has been full and complete compliance with this provision.

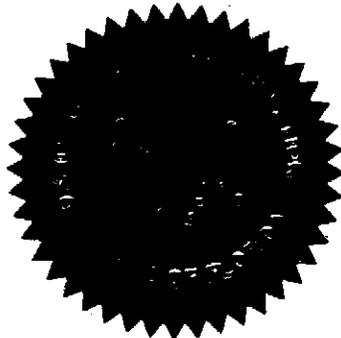
D) NFOA, RICHARD K. OLIVE, SUSAN L. OLIVE, BREANNA MCINTYRE and ROBERT G. DEWALD shall, within ten (10) calendar days of the date this **IMMEDIATE FINAL ORDER** is received, deliver to the OFFICE a full and complete accounting to include the name, mailing address, amount or item and date of transfer of all Florida consumers who

have transferred ownership of an annuity or other interest in real or personal property of any kind whatsoever to NFOA since the inception of its operations in Florida, and shall simultaneously file with the OFFICE a sworn attestation of each officer and director of NFOA that such accounting is complete and accurate.

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, chose of action or contractual rights of any person or entity involved directly or indirectly in, or that has relied on, the representations and actions of NFOA, RICHARD K. OLIVE, SUSAN L. OLIVE, BREANNA MCINTYRE and ROBERT G. DEWALD.

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. The transaction of the unauthorized business of insurance, is criminal felony activity as defined by Section 626.902, Florida Statutes, and is per se immediately harmful to the public of Florida. Further, such activity by NFOA presents financial harm to Florida consumers the extent of which cannot be discovered immediately, all such activity presents an immediate danger to the public health, safety, or welfare of Florida consumers and requires immediate action through this order.

DONE AND ORDERED this 13th day of APRIL, 2007.



KEVIN M. MCCARTY
Commissioner
Office of Insurance Regulation

NOTICE OF RIGHTS

The sufficiency of this Order may be reviewed by appeal pursuant to Florida Statutes 120.569(2)(n) and 120.68 and by Rule 9.110, Fla. R. App. P. The appeal must be instituted by filing a Notice of Appeal with the General Counsel of the Office of Insurance Regulation, as its Agency Clerk, at 612 Larson Building, Tallahassee, Florida 32399-0333, and a copy of the same with the appropriate District Court of Appeal, within thirty (30) days of the rendition of this Order. If the facts are in dispute within this Immediate Final Order, then the named Respondents may file an injunction pursuant to 120.569(2)(n) or file a motion to quash or to set aside the service of any process made in the manner provided in Florida Statute 626.908(3).

All correspondence or requests for hearing should contain the case number and the style of the case as listed on page one of this Order.

**Secretary of State
Business Information Search**

[Secretary of State Web Site](#)

[Instructions](#)

Business Name,
Business ID Number, Type, Status

NATIONAL FOUNDATION OF AMERICA
0511975, CORPORATION, ACTIVE

[Details](#)

1 record(s) have been found

Note: This information is current as of three working days prior to today's date.

[Search Again](#)

[Report a Technical Issue](#)





Secretary of State Business Information Search

[Secretary of State Web Site](#)
[Instructions](#)

Name	I.D. Number
NATIONAL FOUNDATION OF AMERICA	0511975
Business Type*:	CORPORATION
Profit/Nonprofit:	NONPROFIT
Status*:	ACTIVE
Date of Formation/Qualification:	01/27/2006
Domestic/Foreign:	DOMESTIC
Place of Incorporation/Organization:	WILLIAMSON
Duration:	PERPETUAL
FYC(Fiscal Year Closing) Month:	DECEMBER

Principal Office:

Address Line 1: 1308 BUCKINGHAM
Address Line 2: CIRCLE
City: FRANKLIN
State: TN
Zip: 37064

Other than USA:**Registered Agent:**

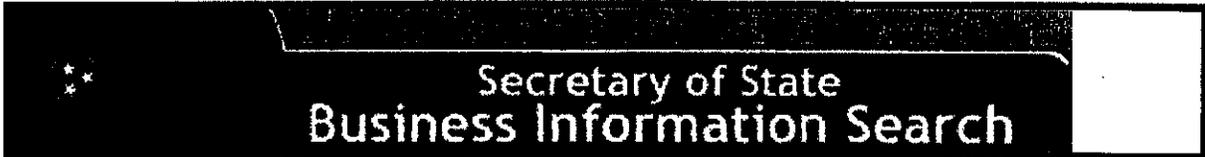
Name: RICHARD K. OLIVE
Address Line 1: 1308 BUCKINGHAM
Address Line 2: CIRCLE
City: FRANKLIN
State: TN
Zip: 37064

Business Filing History

* Important Note: Business filing History includes information about (1) the basis for an inactive status and (2) the current true name and filing status of a business with an assumed name or a changed status.

Note: This information is current as of three working days prior to today's date.

[Report a Technical Issue](#)



Secretary of State Business Information Search

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[Instructions](#)

Business Name	I.D. Number	Status	
NATIONAL FOUNDATION OF AMERICA	0511975	ACTIVE	
Document Reference	Date	Filing Type	Filing Action
5666-1333	01/27/2006	CHARTER	
	04/01/2007	ANNUAL RPT ISSUED	
<p>This information is current as of three working days prior to today's date (except for some annual reports filed during the first four months of the calendar year).</p> <p style="text-align: center;">Search Again</p> <p style="text-align: right;">Report a Technical Issue</p>			

309:2001152

CORPORATE RESOLUTION

CERTIFICATE OF AUTHORITY

I certify that the following is a true copy of a certain resolution of the Board of Directors of National Foundation of America (NFOA), a corporation duly organized and existing under the laws of Tennessee, duly adopted in accordance with the By-Laws and recorded in the minutes of a meeting of the said Board on January 27, 2006, and not subsequently rescinded or modified.

RESOLVED

That Richard K. Olive, as Executive Director of National Foundation of America, is hereby authorized for and on behalf of this corporation to:

1. liquidate stocks, bonds, annuities and other securities received by the Organization in connection with charitable contributions or transactions and transfer the resulting proceeds to any account of the Organization, and to execute and deliver any and all checks, drafts, agreements and other documents in connection therewith, and
2. enter into and execute planned giving or charitable contribution transactions with donors, including executing any and all documentation related to the acceptance or acquisition of a donation, an option and/or of title to real property given in exchange for a charitable gift annuity, charitable installment purchase arrangement or other charitable transaction, and the marketing, sale, liquidation, conveyance and transfer of such property, all on behalf of the Corporation without any further review or approval by this Board of Directors."

I FURTHER CERTIFY that I, Susan L. Olive, am the Secretary for National Foundation of America (NFOA), being duly qualified and now acting as such.

Dated this 18 day of April, 2006

Dated this 25 day of April, 2006

Susan L. Olive, Secretary
National Foundation of America

Richard K. Olive, Executive Director
National Foundation of America

IN WITNESS WHEREOF, I the undersigned, a notary public as commissioned by the State of Tennessee, do hereby certify that Susan L. Olive, determined by me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed said instrument, consisting of one (1) page, as her free and voluntary act for the uses and purposes therein set forth.

Given under my Notary Seal this 18 day of April, 2006



MY COMMISSION EXPIRES MAY 23, 2009

MY COMMISSION EXPIRES MAY 23, 2009

25 April 2006

State of Florida



OFFICE OF INSURANCE REGULATION Tallahassee, Florida

I, the undersigned, Commissioner of the Office of Insurance Regulation of the State of Florida, do hereby certify that

Dated this 4th Day of April, 2007

After conducting a diligent search of the official records of the FLORIDA OFFICE OF INSURANCE REGULATION, no record exists which discloses that the following entity or individuals currently hold, or have ever been granted a LICENSE or CERTIFICATE OF AUTHORITY from this OFFICE, authorizing the entity or individual to transact Life and Health insurance, Life & Annuity insurance business, or insurance in any capacity; likewise, the following entity is not registered as an eligible Surplus Lines insurance carrier with the Florida Surplus Lines Service Office:

National Foundation Of America ("NFOA")



IN TESTIMONY WHEREOF, I hereto
subscribe my name, and affix the Seal of
my Office, at Tallahassee, the day and year
first above written.

Commissioner, Office of Insurance Regulation

EXHIBIT

B

State of Florida



**Department of Financial Services
Tallahassee, Florida**

April 5, 2007

I, the undersigned, Chief Financial Officer, of the State of Florida, do hereby certify that we have checked our records and can find no record of Richard K. Olive, being licensed as an insurance representative of any type by the Department of Financial Services. Records are maintained in the official records of the Department of Financial Services, Bureau of Agent and Agency Licensing.



IN TESTIMONY WHEREOF, I hereto
subscribe my name, and affix the Seal of
my Office, at Tallahassee, the day and year first above written.

Chief Financial Officer

EXHIBIT
Composite Exhibit
C

State of Florida



**Department of Financial Services
Tallahassee, Florida**

April 10, 2007

I, the undersigned, Chief Financial Officer, of the State of Florida, do hereby certify that we have checked our records and can find no record of Susan L. Olive, being licensed as an insurance representative of any type by the Department of Financial Services. Records are maintained in the official records of the Department of Financial Services, Bureau of Agent and Agency Licensing.



IN TESTIMONY WHEREOF, I hereto
subscribe my name, and affix the Seal of
my Office, at Tallahassee, the day and year first above written.

Chief Financial Officer

State of Florida



**Department of Financial Services
Tallahassee, Florida**

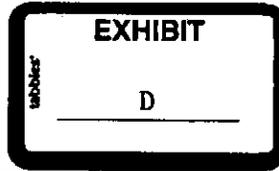
April 10, 2007

I, the undersigned, Chief Financial Officer, of the State of Florida, do hereby certify that we have checked our records and can find no record of Breanna McIntyre, being licensed as an insurance representative of any type by the Department of Financial Services. Records are maintained in the official records of the Department of Financial Services, Bureau of Agent and Agency Licensing.

IN TESTIMONY WHEREOF, I hereto
subscribe my name, and affix the Seal of
my Office, at Tallahassee, the day and year first above written.



Chief Financial Officer



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Licensee Details

4/8/2007

Demographic Information

Name of Licensee: DEWALD, ROBERT GORDON
License #: A067271
Business Location: SARASOTA,FLORIDA

Types and Classes of Valid Licenses

Type	Original Issue Date	Qualifying Appointment
LIFE INCL VARIABLE ANNUITY(0214)	7/8/1989	YES
LIFE INCL VAR ANNUITY & HEALTH(0215)	7/8/1989	YES
LIFE(0216)	7/8/1989	YES
LIFE & HEALTH(0218)	7/8/1989	YES

Types and Classes of Active Appointments

LIFE INCL VARIABLE ANNUITY(0214)

Company Name	Original Issue Date	Exp Date	Type	County
JEFFERSON-PILOT LIFE INSURANCE COMPANY	2/5/2004	7/31/2008	STATE	Sarasota
JEFFERSON PILOT FINANCIAL INSURANCE COMPANY	2/5/2004	7/31/2008	STATE	Sarasota

LIFE INCL VAR ANNUITY & HEALTH(0215)

Company Name	Original Issue Date	Exp Date	Type	County
MML BAY STATE LIFE INSURANCE COMPANY	5/10/1996	7/31/2008	STATE	Sarasota
AMERICAN GENERAL LIFE INSURANCE COMPANY	3/31/2004	7/31/2008	STATE	Sarasota

ALLIANZ LIFE INSURANCE COMPANY OF NORTH AMERICA	10/17/2005	7/31/2008	STATE	Sarasota
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LIFE(0216)

Company Name	Original Issue Date	Exp Date	Type	County
LINCOLN BENEFIT LIFE COMPANY	4/29/1996	7/31/2008	STATE	Sarasota

LIFE & HEALTH(0218)

Company Name	Original Issue Date	Exp Date	Type	County
LIBERTY LIFE INSURANCE COMPANY	2/24/2004	7/31/2008	STATE	Sarasota
PRINCIPAL LIFE INSURANCE COMPANY	4/9/1997	7/31/2007	STATE	Sarasota
NATIONAL WESTERN LIFE INSURANCE COMPANY	5/12/2003	7/31/2007	STATE	Sarasota

Florida Department of Financial Services
Selected Consumer Requests for Assistance

Report Dates: 6/1/2003 to 4/3/2007

FL CODE: 05161

AMERICAN EQUITY INVESTMENT LIFE INSURANCE COMPANY

Total: 5

File Name: MCCANN,GENEVIEVE
File No: 1-250318681
Policy No:
Date Added: 3/14/2007 6:03:36 PM
Date Closed:
General Coverage: Life & Annuities
Detail Coverage: Annuity
Reason: Agent Handling
Disposition:

Company Name: AMERICAN EQUITY INVESTMENT LIFE INSURANCE
Agency Name:
Agent Name:
Adjuster Name:
Trend:
Office:
DFS Employee: MOSLEYT
Comments: THE CONSUMER FEELS SHE EXPERIENCED FRAUD BY AN ANNUITY SERVICE CENTER

REASONS:

The consumer states that an agent, Robert G. Dewald, visited her home in December, 2006 and he stated that he was representing her existing insurance carrier, American Equity Life. The gentleman was a representative of Annuity Service Center and had consumer transfer her \$22,948.97 to National Foundation of America at 1308 Buckingham Circle Franklin Tennessee, 37064. A cease and desist order was issued against this insurance carrier. Please explain to our office why marketing materials are still being distributed after the cease and desist order was issued. Also include in your response, an agent statement from Robert Dwald explaining his actions regarding this transaction.

File Name: BLEVINS,LOUISE
File No: 1-300044384
Policy No:
Date Added: 4/2/2007 7:57:05 PM
Date Closed:
General Coverage: Life & Annuities
Detail Coverage: Annuity
Reason: Misrepresentation
Disposition:

Company Name: AMERICAN EQUITY INVESTMENT LIFE INSURANCE
Agency Name:
Agent Name:
Adjuster Name:
Trend:
Office:
DFS Employee: EDMONSV
Comments: \$60,000 ANNUITY SIGNED OVER TO ENTITY POSING AS A CHARITY.

REASONS:

Mrs. Blevins has requested the assistance with what she believes to be the improper change to her annuity by Richard K. Olive when he met with her on December 11, 2006, to review her annuity policy. Mrs. Blevins had originally received a call from Robert DeWald who stated to her that he would like to make an appointment to review her annuity with her. She mistakenly believed he was a representative of American Equity. When Mr. DeWald came to her home he was accompanied by another individual who was not identified. Mr. DeWald reviewed her policy and the other agent took notes. A short time later, a Richard K. Olive contacted Mrs. Blevins to make an appointment to review her annuity and once again, Mrs. Blevins believed it was someone from American Equity. Mr. Olive brought some paperwork with all of the annuity information, and told Mrs. Blevins to sign the paperwork. Mrs. Blevins asked him if anything would change as she was concerned. He stated that everything would be the same. At the end of December 2007, Mrs. Blevins received a check for \$569.75, but she did not realize it was not from American Equity and did not pay any attention to it. She continued to receive a check in the same amount in January 2007, and February 2007, in the same amount until she was advised by Joanie Knapp at American Equity that it was not from them and that she had signed over her \$60,000 annuity contract to the National Foundation of America. Mrs. Blevins is very concerned as this represents the majority of her net worth. She feels she was misled by both Mr. DeWald and Mr. Olive and would like this issue fully investigated. Please review and respond in detail on your position regarding this complaint and provide all documentation available.

Wednesday, April 04, 2007

Page 1 of 2



File Name: MUELLER,BONNIE
File No: 1-251372118
Policy No:
Date Added: 3/16/2007 6:48:07 PM
Date Closed:
General Coverage: Life & Annuities
Detail Coverage: Annuity
Reason: Twisting
Disposition: Notice Issued - No

Company Name: AMERICAN EQUITY INVESTMENT LIFE INSURANCE
Agency Name:
Agent Name:
Adjuster Name:
Trend:
Office:
DFS Employee: BELLG
Comments: ATTEMPTED FRAUD

REASONS:

Consumer's 75 year old father, John Watson Bartlett at [REDACTED] was contacted by Robert G. DeWald representing the National Foundation of America (Richard Olive, President/CEO) to replace his American Equity Investments annuity. He told Mr. Bartlett that he would be investing in a non-profit organization. He had Mr. Bartlett sign a Change of Ownership form and the family found out about it only when a nurse showed up to do at blood test. They have contacted American Equity and are taking steps to have the form rescinded. In the meantime, consumer is concerned that this

File Name: DAMA,J.
File No: 1-249180233
Policy No:
Date Added: 3/7/2007 10:00:50 PM
Date Closed:
General Coverage: Life & Annuities
Detail Coverage: Annuity
Reason: Agent Handling
Disposition:

Company Name: AMERICAN EQUITY INVESTMENT LIFE INSURANCE
Agency Name:
Agent Name:
Adjuster Name:
Trend:
Office:
DFS Employee: KITEC
Comments: AGENT HAD INSURED SIGN OVER ANNUITY TO A CHARITY

REASONS:

Consumer is insured's son, Insured is Lilla P. Dama. Agent, Robert G. DeWald, told insured she should go ahead and annuitize as the yield with American Equity was getting so low. She agreed but when she received the papers it showed she was donating \$30,000. to the National Foundation of America and they would be sending her checks. This is not what she wants. Ms. Dama's son, J. Frank Dama, called American Equity and they told him the money has not been sent to National Foundation yet because they have been receiving complaints about this action.

File Name: PIEL,AUDREY
File No: 1-242987261
Policy No:
Date Added: 1/29/2007 4:39:56 PM
Date Closed:
General Coverage: Life & Annuities
Detail Coverage: Annuity
Reason: Agent Handling
Disposition: Notice Issued - No

Company Name: AMERICAN EQUITY INVESTMENT LIFE INSURANCE
Agency Name:
Agent Name:
Adjuster Name:
Trend:
Office:
DFS Employee: MOTLEYT
Comments: EQUITY INDEXED ANNUITY-ANNUITY

REASONS:

Consumer states that an agent by the name of Robert G. Dewald visited her on December 14, 2006, to review her annuity policy. She felt comfortable thinking that he represented American Equity Investment Life Insurance Company because he had all of her personal policy information. She asked the agent and he did in fact advise her that he "represents a lot of companies".

Consumer now feels that she was misled by the agent when he advised her that she would not incur a penalty if she closed her account which she did. She later found out by American Equity that her account was closed and the monies were turned over to an agency by the name of National Foundation of America, which is a charity. Please provide the consumer with any and all of the information that she signed since she states that she hasn't received anything as of this day.

Consumer would like for the agent to return her money along with the \$2,000.00 closing penalty. She would also like to be reinstated with American Equity. In addition to this consumer would like to know if the agent is not an American Equity representative, how he obtained all of her personal data and policy information.

Please provide our office with a detailed written explanation along with supporting documentation on this matter.

1 STATE OF FLORIDA AFFIDAVIT COUNTY OF Orange
2 NAME: Audrey J. Piel I AM A: female DOB: [REDACTED]
3 RESIDENCE ADDRESS : [REDACTED]
4 BUSINESS ADDRESS : Retired
5 EMPLOYER'S NAME : Retired OCCUPATION : Secretary at the Naval Base
6 RESIDENCE PHONE : [REDACTED] BUSINESS PHONE: n/a
7
8

9 Page 1 of 4

10
11 Re: National Foundation of America

12 I provided the investigator taking my statement with my handwritten version of the transaction that I
13 experienced with Robert G. DeWald, so called agent ^{with A&P} ~~and~~ National Foundation of America (NFOA) to be
14 used to write my affidavit. I had written the statement for the Tallahassee office of Consumer Services that
15 I worked with regarding my concerns. This affidavit is being recorded with live verbal injections as well
16 as my handwritten document; some aspects are 'excerpts' from this document. The investigator taking my
17 affidavit has included a copy of my handwritten documentation regarding this matter. "... What
18 happened to me is fraud and I am just sick over it. Since speaking with Tonya [in Consumer Services], I
19 found out from American Equity Insurance Co. that this Robert DeWald is not a representative of their
20 company. He told me he was a representative and has take over Herbert Williams accounts. I asked who
21 signed the withdrawal of funds request and was told Mr. DeWald signed under my name as witness not
22 agent or anything. That alone is fraudulent... I let Mr. DeWald come to my house on 12/14/06 because
23 he said he had a good thing for me regarding my annuity and he sounded legitimate. He told me he can get
24 me a check every month, tax free, but did not tell me that he was giving my money and ownership to the
25 National Foundation of America charity. The check each month was for \$199.27 for 10 years, which
26 equals \$23,912.00 and they were given \$23,120.15 from my annuity. That is my money they are paying
27 back I gained nothing! I am 81 years old and not rich. Mr. DeWald knows that only rich people would
28 benefit from tax break and had no right to put me into NFOA. Because he represented himself as an agent
29 for American Equity I thought he was putting my money into something at American Equity that would

EXHIBIT

F

30 pay me more than 3.5% interest. When I called American Equity and asked them about my account, they
31 said "it is closed" and I said "where is my money?" Rick [with American Equity] said "it was put in
32 National Foundation of America Charity". I said "what? What charity?" I was floored and knew at that
33 point I was a fraud victim. I never heard of that place and if I want to give to a charity, that is my business.
34 He stole my money. I don't own it any more and my children will inherit nothing. How awful, I would
35 never have given away my principal. How can someone do this? Have they no conscience? I pray that . . .
36 get me the money back of \$23,120.15. I can't afford to lose that. Obviously Mr. DeWald was not honest
37 with me and I was taken advantage of . . . Robert DeWald phone number 1 866 428 1488, Herbert
38 Williams agent who sold me the annuity in October 2002, 312 296 3027, cell . . . If that company goes out
39 of business I will lose my shirt for sure. DeWald did not give me any paper work or contract! That is not
40 legal either!! . . ." (sic) [retrieved from Ms. Piel's handwritten document and attached to this affidavit – K.
41 Brown]. Verbal testimony and record of documentation provided of and by Ms. Piel: In December
42 2006, Mr. DeWald called to say that he took over my agent's (Herbert Williams) accounts, he stated he
43 wanted to visit with me because he had a new product and I thought it was with the same company. The
44 company had sent me information and brochures that I could change my deposit within the company; I was
45 satisfied with the annuity and I was not planning to move this money anywhere. This is why I believed that
46 he was presenting accounts from American Equity. He came to my home and he gave me nothing
47 regarding this transaction. After three months of my accountant writing NFOA, I finally received a
48 contract. I have attached a copy of this bound document to my affidavit. Additionally, I have attached a
49 copy of my original policy (also bound) to my affidavit. I have been working with Doug Shellanberg with
50 American Equity and I was told that if got NFOA returned my money, the insurance company would
51 reinstate my annuity like it never left. They stated they would reinstate the 3 years of interest that I had
52 earned with this annuity when they receive the funds from NFOA. Additionally, American Equity would
53 re-credit me the \$2000 (approximately) in surrender fees they collected when this annuity was liquidated. I
54 have attached a copy of the "National Foundation of America Mutual Rescission of Contract" that I

55 received and which is dated 3/15/07. However this rescission contract indicates that "NFOA shall reinstate
56 \$19,195.63, representing the full and final of all obligations under said Contract to Owner." (sic) to my
57 affidavit as well. There is additional language in this rescission agreement that I believe someone needs to
58 review. I have attached a copy of one of the checks that I received from NFOA dated 3/30/07, in the
59 amount of \$199.27, check number: 0000005376, drawn on Wachovia Bank, NA, routing and account
60 numbers: [REDACTED], payor: National Foundation of AME, 1308 Buckingham Circle,
61 Franklin, TN 37604, with a note: "Please direct any questions to: Online Bill Payment Processing Center,
62 800 243 2508, the payee on the check is: Audrey J. Piel, Revocable Trust, with my residence address in
63 the "to the order of" section of the check. I believe that the two other checks that I received and returned
64 to the company looked exactly the same as this one. I have attached some of my handwritten letters and
65 notes associated to this transaction based on conversations I had with various people to my affidavit. I
66 have attached a letter dated 1/25/07 that I received from American Equity that was written to National
67 Foundation of America in Franklin, TN. This was apparently when American Equity forwarded my check
68 to NFOA. The letter indicates that the total contract [annuity] value was \$23,174.91, with surrender
69 charges of \$2,085.74. The letter indicated that \$0.00 "will be reported as income to the Internal Revenue
70 Service . . ." and the letter provided a 60-day period in which the check could be returned for
71 "reinstatement" of the annuity contract. This letter included an itemization of the check they issued to
72 NFOA and I have included this with my statement. I have included correspondence from my accountant,
73 Gilman and Ciocia, 1501 West Fairbanks Avenue, Winter Park, Florida, 32789, 407 767 5467 to my
74 affidavit. This letter they assisted me in writing and I signed it. The letter addressed the "mutual
75 rescission of contract" that I had received in March 2007, from NFOA, and indicated the shortage of
76 \$1,893.55 that I experienced with this transaction, and outlined that Robert DeWald "was not licensed in
77 this state" at the time of the transaction. Finally, I have attached statements of value that I received
78 periodically from American Equity, as well as my original paperwork associated with the annuity purchase
79 initially and internet research that I conducted regarding the NFOA. I believe this information may be

80 helpful to the investigation. I was previously completely unaware of NFOA or what they did. I am not
81 certain if I really should accept the \$19,195.63, in this regard I would only lose \$1,893.54, instead of the
82 entire \$23,000. Because of this transaction I am waiting to file my taxes, because of the liquidation of the
83 annuity I am being charged with paying \$500 for the interest the annuity earned totaling approximately
84 \$3,000, and this was supposed to assist my taxes according to the website? Hardly!

85

86

87

88

89 People who should always know how to contact me if my address or phone number should change:

90 **AFFIANT HAS READ THE ABOVE STATEMENT CONSISTING OF 4 PAGE(S) AND**
91 **DECLARES AT THIS TIME THE EVENTS AS STATED ARE CLEAR IN HER MIND AND THAT**
92 **THE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF HER KNOWLEDGE AND**
93 **BELIEF. AFFIANT IS WILLING TO APPEAR AT A HEARING.**

94

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97

98 _____
(AFFIANT'S SIGNATURE)

99

100

101 **THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 3rd DAY**
102 **OF April 2007 BY Andrey # Piel WHO PRODUCED FLORIDA DRIVER LICENSE**
103 **NUMBER _____ FOR IDENTIFICATION PURPOSES AND WHO DID**
104 **TAKE AN OATH.**

105

106 **Subscribed and sworn to before me**

107 **this 3rd day of April 2007.**

108

109

110

111 _____
Notary Public, State of Florida at Large

112 My Commission expires: 9/26/07



Kimberly J. Brown
MY COMMISSION # DD24617 EXPIRES
September 26, 2007
BONDED THROUGH FARM INSURANCE, INC.

1 STATE OF FLORIDA AFFIDAVIT COUNTY OF Seminole
2 NAME: Genevieve J. Mc Cann I AM A: female DOB: [REDACTED]
3 RESIDENCE ADDRESS : [REDACTED]
4 BUSINESS ADDRESS : Retired
5 EMPLOYER'S NAME : n/a OCCUPATION: currently volunteer at area hospital
6 RESIDENCE PHONE : [REDACTED] BUSINESS PHONE: none
7

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9 Page 1 of 4
10

11 Re: National Foundation of American (NFOA) & Robert DeWald

12 In December 2006, Robert G. DeWald contacted me by telephone and made an appointment at my
13 residence. I recall that he introduced himself over the phone and told me that he wanted to speak with me
14 about American Equity. I knew I had an American Equity annuity so I permitted him to come to my home.
15 He was telling me that because of my age and due to the stock market he told me that I could be receiving
16 a check on a monthly basis for \$192 each month. I did not really want this because it is for my daughter. I
17 only took this out for my daughter who is 63 years of age and I wanted her to use this as a monthly income.
18 She is not aware that I have done this for her and resides in New York. On September 13, 2002, I
19 completed an application with Herbert Williams for an American Equity Annuity, specifically the Index
20 2000 Millennium. At the time of the application I remitted \$10,000, via check number 1016, Federal Trust
21 Bank, Winter Park, Florida, 32789-4942, routing and account number: [REDACTED]
22 money market account. On December 24, 2002, I remitted an additional \$5,000, as I believed I needed
23 more money in the annuity that I had purchased; I had never had an annuity before. After meeting with
24 Mr. Williams at the bank he assured me that American Equity was a good company to invest with. On
25 February 14, 2003, I remitted another \$5,000; my annuity then totaled in funds remitted \$20,000.00. The
26 subsequent December and February funds were drawn on the same account captioned earlier and I have
27 attached a copy of these payments and the annuity application to my affidavit. I received a copy of my
28 annuity contract #166238, dated 9/18/02, with a minimum guaranteed interest rate of 3%, for 10 contract
29 years, and an initial fixed value interest rate of 4.3% for the 1st year, shortly after I purchased it. I have



Handwritten signature or initials

30 attached a copy of the policy I received from American Annuity to my affidavit. In October 2002, I
31 changed the beneficiaries of the annuity to my daughter, Charlotte Hartcorn, primary and Suzett Hartcorn,
32 granddaughter, [REDACTED] I subsequently received "Statement of Values"
33 from American Equity on an annual basis for the years of 2004, 2005 and 2006. I have attached a copy of
34 these statements to my affidavit. On December 28, 2006, I received a letter from American Equity stating
35 that provided me with a copy of the record ownership change form. Additionally this letter indicated that
36 as a result of this change, a 1099R would be sent to the IRS reflecting a taxable amount of \$2,946.96 for
37 myself, Genevieve J. McCann. When I received this letter I just thought it was an annual tax form and
38 information sheet, I have already paid the taxes on this; actually they are ready to be paid my accountant
39 handles this for me and I use Smith Barney, Larry McCloud. As a note I do not have a copy of the change
40 of ownership form. We met in my home in December 2006, and he did not look at any of the paperwork or
41 take copies of my American Equity paperwork and I have them at my home, in my possession. He may
42 have looked at the package I have with American Equity or he may have looked at one of my annual
43 statements. Mr. DeWald said the company, and I assumed American Equity, because of my age wanted to
44 send me \$192/month, I told him that I was not interested as this annuity was for my daughter. He pressed
45 on and was talking fast and showing me papers and stuff so that I do not really recall exactly what he said
46 or what he was doing, however he was very charming. Mr. DeWald told me this was a wonderful
47 opportunity for me, etc. Mr. DeWald stated that I would begin receiving checks and that I should "relax
48 and enjoy my money". I have never received any checks however I did receive a package by Priority Mail.
49 This package was mailed from zip code: 34230, on 2/24/07, reference#: 031A 000191115, USPS, Priority
50 Mail, postage amount: \$4.55, with a return address of: Annuity Service Center, 3730 Eagle Hammock
51 Drive, Sarasota, Florida 37240. I have attached a copy of the envelop I received my package in to my
52 affidavit as well as a business card provided to me by Mr. Robert G. DeWald, Service Representative,
53 Annuity Service Center, phone 866-428-1488, Organization. Though I have to say that Mr. DeWald was in
54 my home for such a short period of time, and I have not seen or heard from him since, that I probably could

to x -
—

55 not pick him out of a line up and I am not sure if I could recognize him as there were no outstanding
56 feature; he was a 'biggish' guy, he was not slim, no facial hair, he wasn't wearing glasses, dark hair. When
57 I received the package from Annuity Service Center, and I opened it and saw a letter regarding an
58 "installment plan" with a "charitable" organization I thought oh my goodness! I have attached a copy of
59 the handwritten letter included with the package from Robert DeWald, a copy of the "Certificate
60 Installment Plan" Certificate, dated 12/26/06, and a copy of the bound booklet that I received in this
61 package to my affidavit. I figured that this must be some kind of a scam. In approximately March 2007, I
62 received a telephone call from Doug Shellenberg, 515 221 002, ext. 1733, with American Equity, he also
63 referred me to the Department of Financial Services and I spoke with Timothy Mosley, 850 413 5899. Mr.
64 Shellenberg told me the transaction with NFOA was a scam and that I needed to contact Tallahassee. I
65 sent Mr. Shellenberg a copy of all of my documentation. I also sent Mr. Mosley a copy of the same
66 documentation. Mr. Shellenberg is located at: American Equity Investment Life, 5000 West Town
67 Parkway, West Des Moines, Iowa, 50266-5921. I understand that Mr. Shellenberg is handling this for
68 American Equity. The bound booklet that I have attached and copied everyone with indicates that National
69 Foundation of American has presented via Robert G. Dewald, on 1/2/07, an 'Immediate 10 year Payout',
70 the address is: 1308 Buckingham Circle, Franklin, TN 37064, 615 791 8690, or 888 340 NFOA (6362), fax
71 615 791 8624, web address: www.nationalfoundationofamerica.org. The welcome letter from Mr.
72 Richard K. Olive, President of NFOA indicates that NFOA is a Tennessee nonprofit corporation,
73 recognized as tax-exempt charitable organization under Section 501 (c)(3) of the Internal Revenue Code.
74 This letter "hereby confirms" that NFOA agreed to pay me 120 monthly installments beginning February 1,
75 2007, in the amount of \$193.65. The "installment flow chart" shows the total value is \$22,948.97, with an
76 annual payout of \$2,323.81, and a 10-year payout of \$23,238.15, with a tax deduction of \$8,822.00 and tax
77 savings of \$2,206.00. Another page in the booklet shows a 1099 Statement with an "annual gross
78 installment" total of: \$23,238.15, "reported as tax free" total of: \$18,171.16, and reported as ordinary
79 income" total of: \$5,066.98 and, again, all of these pages are attached to my affidavit for review. I want to

0-1-1

80 be on record that none of the figured provided on the installment plan page make any sense to me really
81 and I didn't ask anyone because I did not want my family to know what I did. In the package there is a
82 three-page "application" or "Installment Plan Agreement" and I do not recall signing any of this, however
83 Mr. DeWald must have had information regarding my American Equity annuity because those amounts on
84 included on these sheets. I do recognize my signature because Mr. DeWald said for me to sign it because
85 this was how I would be getting the checks he talked about, I really do not recall signing it though. As I
86 stated he was only at my home one time and I have not seen or heard from him since. The signature is
87 dated December 14, 2006, and again, I do not remember signing this or seeing the first two pages of this
88 document. I have attached a copy of all of the referenced information in my affidavit to my affidavit for
89 review. To date I have not received any checks from National Foundation of America and alleged they
90 were to begin in February 2007. I have only spoken with Mr. Shellenberg and Mr. Mosley regarding this
91 matter, no one else has contacted me from the time I was involved with this transaction until today. I have
92 nothing to add to my statement at this time.

93 People who should always know how to contact me if my address or phone number should change:

94 Daughter in Law, Ursula Schulz, [REDACTED]
95

96 **AFFIANT HAS READ THE ABOVE STATEMENT CONSISTING OF 4 PAGE(S) AND**
97 **DECLARES AT THIS TIME THE EVENTS AS STATED ARE CLEAR IN HER MIND AND THAT**
98 **THE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF HER KNOWLEDGE AND**
99 **BELIEF. AFFIANT IS WILLING TO APPEAR AT A HEARING.**

100
101
102 (AFFIANT'S SIGNATURE)
103
104

105 **THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 4th DAY**
106 **OF April 2007 BY Genevieve J. Mc Cann (Schulz former married name) WHO**
107 **PRODUCED FLORIDA DRIVER LICENSE NUMBER [REDACTED] FOR**
108 **IDENTIFICATION PURPOSES AND WHO DID TAKE AN OATH.**

109
110 **Subscribed and sworn to before me**
111 **this 4th day of April 2007.**

112
113
114 **Notary Public, State of Florida at Large**
115 **My Commission expires: 9/26/07**



Kimberly J. Brown
MY COMMISSION # DD24517 EXPIRES
September 26, 2007
SIGNED THROUGH FARM INSURANCE, INC.



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	
)	
NATIONAL FOUNDATION)	Order No. D06-245
OF AMERICA,)	
)	ORDER TO CEASE
An Unauthorized Entity and)	AND DESIST
)	
RICHARD K. OLIVE and SUSAN L. OLIVE,)	
)	
Individual Respondents)	

Pursuant to RCW 48.02.080 and RCW 48.15.023, the Insurance Commissioner (OIC) orders the entity and the individuals named above and their officers, directors, trustees, agents, employees, and affiliates ("Respondents") to immediately cease and desist from:

- A. Engaging in or transacting the unauthorized business of insurance in the State of Washington, including the issuance of tax-deductible annuities, "installment plans," (term certain annuities) and charitable remainder trusts;
- B. Advertising purportedly charitable contracts, annuities and insurance-related products;
- C. Seeking, soliciting, pursuing, and/or obtaining any insurance business in the State of Washington, including purportedly charitable contracts;
- D. Participating, directly or indirectly, in any act of an insurance agent or insurance company in seeking, soliciting, pursuing, and/or obtaining any unauthorized trust, annuity or other insurance business in the State of Washington;
- E. Soliciting Washington residents by e-mail, facsimile (fax), telephone, mail or any other means to induce them to purchase any form of insurance product; and from
- F. Offering to Washington residents a plan, contract, trust, annuity or policy or coverage for any other form of insurance without submitting to examination by the Insurance Commissioner to determine the organization and solvency of the person or the entity offering such insurance, and to determine whether or not such person or entity complies with all applicable provisions of the Insurance Code.



THIS ORDER IS BASED ON THE FOLLOWING:

1. National Foundation of America ("NFOA") is a Tennessee corporation headquartered in Franklin, Tennessee that sells purportedly charitable annuities, charitable "installment plans," (term certain annuities) testamentary plans, family legacy accounts and charitable remainder trusts. RCW 48.15.20 provides that an act is committed in this state if it is committed, in whole or in part, in the state of Washington, or affects persons or property within the state and relates to or involves an insurance contract.

2. RCW 48.05.030 provides that no person shall act as an insurer and no insurer shall transact insurance in this state other than as authorized by a certificate of authority issued to it by the commissioner. An insurance transaction includes a "solicitation" as provided by RCW 48.01.060. Life insurance as defined in RCW 48.11.020 includes annuities and endowment benefits.

3. RCW 48.38.010 provides that the commissioner may grant a certificate of exemption to any insurer or educational, religious, charitable or scientific institution conducting a charitable gift annuity business that, among other requirements, possesses a current tax-exempt status under the laws of the United States.

4. Richard K. Olive and Susan L. Olive are officers of NFOA.

5. NFOA and Respondents have issued insurance and transacted the business of insurance in the State of Washington affecting subjects located wholly or in part in Washington and to be performed in Washington, including issuing purportedly tax-deductible "charitable installment purchases" (term certain annuities) to elderly Washington residents since January, 2006.

6. Respondents have not been granted a certificate of authority to act as an insurer in Washington, nor are any of Respondents licensed as insurance agents or brokers in this state. Respondents have not submitted to OIC any appropriate certificate, license, or other document issued by another agency of this state, any subdivision thereof, or the federal government permitting or qualifying Respondents to provide such coverage in this state. Respondents also have not registered with the OIC as risk retention or risk purchasing agents, nor have they transacted insurance through a licensed surplus lines broker in this state. Respondents have not been granted an exemption under Section 501(c)(3) of the Internal Revenue Code. Respondents have not received a certificate of exemption permitting them to issue charitable gift annuities in Washington.

7. Between January 2006 and September 2006, Respondents solicited numerous licensed insurance agents to sell its tax-deductible annuities.

8. Between February 17, 2006 and March 1, 2006, Respondents sold "Installment Purchase Plans" (term certain annuities) to three elderly Washington residents, misrepresenting the terms of the contracts. The consumers were led to believe that they would be making approximately 6% return on investment and that they would enjoy a substantial charitable tax deduction.

Order to Cease and Desist

9. Respondents misrepresented to both the prospective agents and the purchasers that the products they were selling were being legally offered in Washington by a charitable organization granted an exemption under Section 501(c)(3) of the Internal Revenue Code and that their "installment plans" were described in Section 453 of the Internal Revenue Code. These representations were false, deceptive, and misleading. Respondents knew that they had not been granted an exemption as a charitable organization by the IRS, that the plans and annuities offered were not exempt from state insurance regulation, and that Respondents had not applied for nor been granted a certificate of exemption under RCW 48.38.010. Respondents also knew or should have known that section 453 of the Internal Revenue Code concerns only the "installment method" of accounting for income tax purposes.

10. Respondents' above-described conduct violates RCW 48.15.020, Solicitation by an unauthorized insurer prohibited - Personal liability, and RCW 48.30.040, False information and advertising.

IT IS FURTHER ORDERED that Respondents, within forty-five (45) days of receipt of this Order, furnish the OIC with a complete listing, to include contact information, of all Washington residents and businesses who have purchased any insurance or insurance-related product, including "charitable installment purchase" plans (term certain annuities) and tax-deductible annuities, from Respondents, and that Respondents report to the OIC all assets received by Respondents in exchange for issuing such products.

IT IS FURTHER ORDERED that Respondents replace all insurance products issued by them in this state with a policy issued by an authorized insurer pursuant to RCW 48.15.020. Respondents shall fulfill the terms of contracts formed prior to the effective date of this Order pursuant to RCW 48.15.020(2)(b) until such contracts are so replaced.

Any violation of the terms of this Order by Respondents, their officers, directors, agents or affiliates, will render the violator(s) subject to the full penalties authorized by RCW 48.02.080, RCW 48.15.023, and other applicable Code sections.

Respondents have the right to demand a hearing pursuant to chapters 48.04 and 34.05 RCW. This Order shall remain in effect subject to the further order of the commissioner.

THIS ORDER IS EFFECTIVE IMMEDIATELY and is entered at Tumwater, Washington, this 18th day of September 2006.

MIKE KREIDLER
Insurance Commissioner

By: l

Marcia G. Stickler
Legal Affairs Division
Office of Insurance Commissioner

DECLARATION OF MAILING

I declare under penalty of perjury under the laws of the State of Washington that on the date noted below I mailed or caused delivery of a true copy of this document to Richard J. Oviatt
DATED this 18th day of September 2006
at Olympia, Washington.

Signed: [Signature]