



**FILED**

APR 27 2009

OFFICE OF  
INSURANCE REGULATION  
Docketed by: FT

**OFFICE OF INSURANCE REGULATION**

**KEVIN M. MCCARTY**  
COMMISSIONER

IN THE MATTER OF:

**GWG LIFE SETTLEMENTS, LLC**  
**f/k/a GREAT WEST GROWTH, LLC**

---

**CASE NO.: 89904-07**

**CONSENT ORDER**

THIS CAUSE came on for consideration as the result of an agreement between GWG LIFE SETTLEMENTS, LLC, formerly known as GREAT WEST GROWTH, LLC, (hereinafter referred to as "GREAT WEST GROWTH") 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. GREAT WEST GROWTH is a foreign limited liability company organized in Delaware with its principal place of business in Minneapolis, Minnesota, and has never been authorized to transact business as a viatical settlement provider in Florida.
3. On or about July 6, 2006, the OFFICE received GREAT WEST GROWTH'S application for a Florida viatical settlement provider license.

4. GREAT WEST GROWTH withdrew its application for a Florida viatical settlement provider license on or about February 28, 2007.

5. On July 3, 2007, the OFFICE issued an Order to Cease and Desist and to Assess Penalty (hereinafter referred to as "Order to Cease and Desist") against GREAT WEST GROWTH, alleging that it had transacted business as a Florida viatical settlement provider without the necessary authorization. The Order to Cease and Desist was served upon GREAT WEST GROWTH, and is attached hereto as Exhibit "A." Each of the alleged violations in paragraphs 18 and 19 of the Order to Cease and Desist would constitute a violation of Section 626.9912(1), Florida Statutes.

6. On July 24, 2007, GREAT WEST GROWTH preserved its right to an administrative hearing by filing a Request for Administrative Hearing Involving Disputed Issues of Fact (hereinafter referred to as "Request for Administrative Hearing") pursuant to Sections 120.569 and 120.57(1), Florida Statutes, and Rule 28-106.2015, Florida Administrative Code. Upon agreement between GREAT WEST GROWTH and the OFFICE, the OFFICE has not referred the Request for Administrative Hearing to the Division of Administrative Hearings.

7. GREAT WEST GROWTH denies that it has violated any provision of Florida law or other applicable law, rule or regulation. Nothing contained in this Consent Order shall in any way be used as an admission of liability by GREAT WEST GROWTH, or as an admission of any violation by GREAT WEST GROWTH of any law, regulation or rule of the State of Florida.

8. GREAT WEST GROWTH 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 Order to Cease and Desist, without further resort to the

administrative process. Accordingly, GREAT WEST GROWTH hereby withdraws its Request for Administrative Hearing, dated July 24, 2007, upon execution of this Consent Order.

9. By executing this Consent Order, GREAT WEST GROWTH expressly waives any and all rights to a hearing, and to any and all other proceedings to which the parties may be entitled by law. GREAT WEST GROWTH hereby knowingly and voluntarily waives all rights to challenge or to contest this Consent Order, in any forum now or in the future available to it, including the right to any administrative proceeding, circuit or federal court action, or any appeal.

10. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has executed a copy of this Consent Order bearing the signature of GREAT WEST GROWTH'S authorized representative under the seal of a notary public, notwithstanding the fact that the copy may have been transmitted to the OFFICE electronically.

11. GREAT WEST GROWTH agrees that upon the execution of this Consent Order, it shall be subject to the following terms and conditions:

a. GREAT WEST GROWTH shall not transact business as a viatical settlement provider in Florida, from Florida, or with any resident(s) of Florida, and shall not solicit, receive, accept for purchase consideration, or process viatical settlement contracts relative to Florida viators unless and until it is properly authorized by the OFFICE.

b. GREAT WEST GROWTH shall pay an administrative fine in the amount of one hundred fifty thousand dollars (\$150,000.00) plus administrative costs in the amount of twelve thousand dollars (\$12,000.00), on or before the sixtieth (60<sup>th</sup>) calendar day after which this Consent Order is executed for non-willful violations of Florida law alleged in the Order to Cease and Desist.

c. GREAT WEST GROWTH may submit to the OFFICE an application for licensure as a viatical settlement provider at any time following the execution of this Consent Order and payment of the amounts specified in subparagraph 11.b. GREAT WEST GROWTH'S application shall describe the measures it has taken to address the activities alleged in the Order to Cease and Desist.

d. The OFFICE agrees that it shall not disapprove or refuse to accept GREAT WEST GROWTH'S application for licensure as a viatical settlement provider on the grounds that GREAT WEST GROWTH has entered into this consent order or that it engaged in any of the activities alleged in the Order to Cease and Desist. However, if the OFFICE discovers any violations of Florida law by GREAT WEST GROWTH beyond those alleged in the Order to Cease and Desist, the OFFICE will take them into consideration when evaluating any future application for licensure as a viatical settlement provider by GREAT WEST GROWTH.

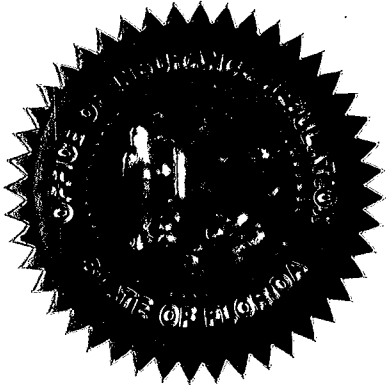
12. GREAT WEST GROWTH agrees that the failure to adhere to one or more of the foregoing terms and conditions of this Consent Order shall constitute a violation of a lawful order of the OFFICE, and shall subject GREAT WEST GROWTH to such action as the OFFICE may deem appropriate.

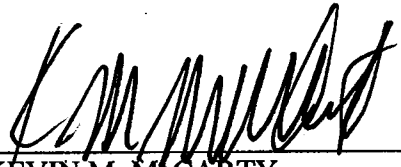
13. GREAT WEST GROWTH is hereby placed on notice of the requirements of Section 626.9912(1), Florida Statutes, and agrees that any future violation of this section by GREAT WEST GROWTH may be deemed willful, subjecting GREAT WEST GROWTH to appropriate penalties.

14. Except as noted above, each party to this action shall bear its own costs and attorney's fees.

WHEREFORE, the agreement between GREAT WEST GROWTH and the OFFICE, the terms and conditions of which are set forth above, is APPROVED and all terms and conditions above are hereby ORDERED.

DONE and ORDERED this 27 day of April, 2009.



  
\_\_\_\_\_  
KEVIN M. McCARTY  
Commissioner  
Office of Insurance Regulation

By execution hereof, GWG LIFE SETTLEMENTS, LLC, f/k/a GREAT WEST GROWTH, LLC consents to entry of this 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 GWG LIFE SETTLEMENTS, LLC, f/k/a GREAT WEST GROWTH, LLC to the terms and conditions of this Consent Order.

GWG LIFE SETTLEMENTS, LLC,  
f/k/a GREAT WEST GROWTH, LLC

Corporate Seal

By: [Signature]  
Title: CEO  
Date: 4/14/09

STATE OF MINN )  
COUNTY OF Hennepin )

The foregoing instrument was acknowledged before me this 14th day of April, 2009,  
by Jon Sabes as CEO for  
(Name of person) (Type of authority... e.g. officer, trustee, attorney in fact)  
GWG Life Settlements, LLC  
(Company name)

Personally Known X or Produced Identification \_\_\_\_\_

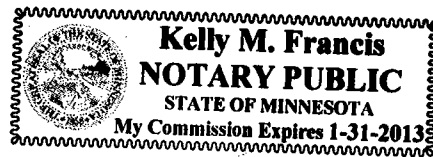
Type of Identification Produced \_\_\_\_\_

[Signature]  
(Signature of the Notary)

Notarial Seal

Kelly Francis  
(Print, Type or Stamp Commissioned Name of Notary)

My Commission Expires:



**COPIES FURNISHED TO:**

**John Wallin, President  
Jon Sabes, CEO  
GWG Life Settlements, LLC  
60 S. Sixth Street, Suite 2540  
Minneapolis, MN 55402**

**Thomas J. Maida, Esquire  
Wes Strickland, Esquire  
Foley & Lardner, LLP  
106 E. College Ave., Suite 900  
Tallahassee, FL 32301-7732**

**Gary Guzzo  
Floridian Partners, LLC  
108 S. Monroe Street, Suite 200  
Tallahassee, FL 32301**

**Mary Beth Senkewicz, Deputy Commissioner  
Florida Office of Insurance Regulation  
200 E. Gaines Street, Room 121B  
Tallahassee, FL 32399-0326**

**Jovita C. Ashton, Director  
Specialty Product Administration  
Florida Office of Insurance Regulation  
200 E. Gaines Street, Room 339B  
Tallahassee, FL 32399-0331**

**Stephen H. Thomas, Jr.  
Assistant General Counsel  
Florida Office of Insurance Regulation  
20 E. Gaines Street, Room 646B  
Tallahassee, FL 32399-4206**



OFFICE OF INSURANCE REGULATION

FINANCIAL SERVICES  
COMMISSION

CHARLIE CRIST  
GOVERNOR

ALEX SINK  
CHIEF FINANCIAL OFFICER

BILL MCCOLLUM  
ATTORNEY GENERAL

CHARLES BRONSON  
COMMISSIONER OF  
AGRICULTURE

KEVIN M. MCCARTY  
COMMISSIONER

**INVOICE**

In order to ensure that your payment is received and properly credited, please make your check payable to the Florida Department of Financial Services and **return this invoice with your payment to:**

**Department of Financial Services  
Revenue Processing Section  
P.O. Box 6100  
Tallahassee, Florida 32314-6100**

REFERENCE

NAME: Great West Growth, LLC  
ADDRESS: 60 S. Sixth Street, Suite 2540  
CITY, STATE, ZIP: Minneapolis, MN 55402  
NAIC CO CODE:  
CASE #: 89904-07  
ATTORNEY: Stephen H. Thomas, Jr.  
SOURCE: Specialty Product Administration

*Administrative Fines: \$150,000.00  
Administrative Costs: \$12,000.00  
Total Amount Due: \$162,000.00*

*Amount Remitted:*

OFFICIAL USE ONLY – PLEASE DO NOT MARK BELOW THIS LINE

<u>B/T</u>	<u>T/C</u>	<u>F/T</u>	<u>AMOUNT</u>
C	1009-SPECIALTY	J	
C	1249-ATTORNEY FEES	J	





**FILED**

JUL 3 2007

OFFICE OF  
INSURANCE REGULATION

Docketed by:                     

OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY  
COMMISSIONER

IN THE MATTER OF:

**GREAT WEST GROWTH, LLC**

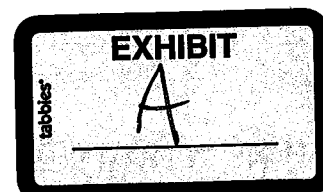
CASE NO.: 89904-07

**ORDER TO CEASE AND DESIST**  
**AND TO ASSESS PENALTY**

TO: GREAT WEST GROWTH, LLC  
c/o NRAI Services, Inc.  
Florida Resident Agent  
2731 Executive Park Drive, Suite 4  
Weston, FL 33331

GREAT WEST GROWTH, LLC  
c/o Paul A. Siegert  
Managing Member and CEO  
60 S. Sixth Street, Suite 2540  
Minneapolis, MN 55402

**YOU ARE HEREBY NOTIFIED** that pursuant to the Florida Insurance Code, including Sections 624.307, 626.9561, and 626.9922, Florida Statutes, the STATE OF FLORIDA, OFFICE OF INSURANCE REGULATION (hereinafter "the OFFICE") caused an examination to be made of GREAT WEST GROWTH, LLC (hereinafter "GREAT WEST GROWTH") in connection with its application for licensure as a Florida viatical settlement provider. Pursuant to Sections 626.909, 626.910, 626.9571, 626.9581, 626.9927, and 626.99272, Florida Statutes, the OFFICE intends to enter a Final Order requiring GREAT WEST GROWTH to cease and desist from unlawfully transacting business as an unlicensed Florida viatical settlement provider, and requiring the payment of a fine. As grounds therefor, the OFFICE alleges that:



1. The Office has jurisdiction over the subject matter hereof and parties to this proceeding.

2. GREAT WEST GROWTH is a foreign limited liability company organized in Delaware on or about February 22, 2006, with its principal place of business located in Minneapolis, Minnesota.

3. On or about March 2, 2006, GREAT WEST GROWTH registered as a foreign limited liability company with the Florida Department of State, Division of Corporations, for the purpose of transacting business in Florida as a viatical settlement provider.

4. On or about July 6, 2006, the OFFICE received GREAT WEST GROWTH's application for a Florida viatical settlement provider license.

5. Section 626.9922(1), Florida Statutes, provides in relevant part:

The office or department may examine the business and affairs of any of its respective licensees or applicants for a license.

6. In December 2006, the OFFICE performed a pre-licensure examination of GREAT WEST GROWTH at its principal office in Minneapolis, Minnesota.

7. GREAT WEST GROWTH withdrew its application for a Florida viatical settlement provider license on or about February 28, 2007.

8. Section 626.9912(1), Florida Statutes, provides:

A person may not perform the functions of a viatical settlement provider as defined in this act or enter into or solicit a viatical settlement contract without first having obtained a license from the office.

9. Section 626.9911, Florida Statutes, provides in relevant part:

(10) "Viatical settlement contract" means a written agreement entered into between a viatical settlement provider, or its related provider trust, and a viator. The viatical settlement contract

includes an agreement to transfer ownership or change the beneficiary designation of a life insurance policy . . . .

(12) "Viatical settlement provider" means a person who, in this state, from this state, or with a resident of this state, effectuates a viatical settlement contract. The term does not include:

(a) Any bank, savings bank, savings and loan association, credit union, or other licensed lending institution that takes an assignment of a life insurance policy as collateral for a loan.

(b) A life and health insurer that has lawfully issued a life insurance policy that provides accelerated benefits to terminally ill policyholders or certificate holders.

(c) Any natural person who enters into no more than one viatical settlement contract with a viator in 1 calendar year, unless such natural person has previously been licensed under this act or is currently licensed under this act.

(d) A trust that meets the definition of a "related provider trust."

(e) A viator in this state.

(f) A financing entity.

10. Section 626.99272, provides in relevant part:

(1) The office or department as appropriate may issue a cease and desist order upon a person that violates any provision of this part, any rule or order adopted by the commission, office or department or any written agreement entered into with the office or department.

(3) The office or department may impose and collect an administrative fine not to exceed \$10,000 for each non-willful violation and \$25,000 for each willful violation of any provision of this part.

11. Section 626.9927(1), Florida Statutes, provides in relevant part:

(1) A violation of [the Viatical Settlement Act] is an unfair trade practice under ss. 626.9521 and 626.9541 and is subject to the penalties provided in the insurance code.

12. Section 626.9581, Florida Statutes, provides in relevant part:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice . . . , the department or office shall also issue an order requiring the violator to cease and desist in engaging in such method of competition, act, or practice.

13. Section 626.99285, Florida Statutes, provides:

In addition to other applicable provisions cited in the insurance code, the office or department, as appropriate, has the authority granted under ss. 624.310, 626.901, and 626.989 to regulate viatical settlement providers, viatical settlement brokers, viatical settlement contracts, and viatical settlement transactions.

14. GREAT WEST GROWTH has never been licensed or authorized to transact business as a Florida viatical settlement provider.

15. GREAT WEST GROWTH is not exempted by any state or federal statutory provisions from complying with the requirements of the Florida Insurance Code.

16. GREAT WEST GROWTH has an Internet website located at <http://www.greatwestgrowth.com>, and the company is described therein as “a direct purchaser of life settlements. . . .” The website contains a listing of states for which GREAT WEST GROWTH has indicated whether or not it is legally authorized to transact business as a viatical settlement provider: Florida is listed as a state in which GREAT WEST GROWTH is not authorized.

17. GREAT WEST GROWTH contracted with Life Equity, LLC, a Florida licensed viatical settlement provider (hereinafter “Life Equity”), to complete paperwork and close viatical settlement contracts involving life insurance policies owned by Florida residents to be purchased by the GWG DLP Master Trust, a Delaware statutory trust incorporated on or about March 1, 2006. GWG DLP Master Trust is wholly owned by GREAT WEST GROWTH.

18. Prior to filing its application for licensure with the OFFICE and during the pendency of the application review process, GREAT WEST GROWTH performed the functions of a viatical settlement provider by soliciting, receiving, evaluating, and processing viatical settlement contracts relative to at least eight life insurance policies involving Florida viators, as

described in more detail below:

a. In May 2006, GREAT WEST GROWTH solicited, received, and accepted for purchase consideration from broker LifeOptions, LLC, an ING/Security Life of Denver Insurance Company policy (#1572201). The viator was H.G.W.H., LLC, a Florida limited liability company. The policy was received by GREAT WEST GROWTH and processed to the point of having a negotiated purchase price before being forwarded to Life Equity.

b. In September 2006, GREAT WEST GROWTH solicited, received, and accepted for purchase consideration from broker Rumson Capital, LP, a Mass Mutual Life Insurance Company policy (#8266490). The viator was Florida resident E.H. The policy was received by GREAT WEST GROWTH and processed to the point of "Bid Won" before being forwarded to Life Equity. While this policy did not result in a viatical settlement contract and purchase, GREAT WEST GROWTH did solicit, receive, accept, evaluate, process, and negotiate the policy to an understanding of gross price and net contract amount with intent to purchase.

c. In October 2006, GREAT WEST GROWTH solicited, received, and accepted for purchase consideration from broker Welcome Funds, Inc., a Jefferson Pilot Life Insurance Company policy (#JF5292897). The viator was M.S.I.T, a Florida-sitused irrevocable trust. The policy was received by GREAT WEST GROWTH and processed to the point of specific dollar amounts being determined to be paid before the policy was forwarded to Life Equity. While this policy did not result in a viatical settlement contract and purchase, GREAT WEST GROWTH did solicit, process, and negotiate the policy to an understanding of gross price with intent to purchase.

d. In October 2006, GREAT WEST GROWTH solicited, received, and accepted for purchase consideration from broker CIGI Direct Insurance Services, Inc., a U.S.

Financial Life Insurance Company policy (#0000276159). The viator was Florida resident R.D. The policy was received by GREAT WEST GROWTH and processed to the point of specific dollar amounts being designated to be paid to the viator and broker before forwarding the policy to Life Equity to purchase on GREAT WEST GROWTH's behalf. Although the viator decided not to sell, GREAT WEST GROWTH did solicit, process, and negotiate the policy to an understanding of gross price with intent to purchase.

e. In October 2006, GREAT WEST GROWTH solicited, received, and accepted for purchase consideration from broker ELA Viatical Services, LLC, an ING/Security Life of Denver Insurance Company policy (#1613362). The viator was Florida resident M.S. The policy was received by GREAT WEST GROWTH and processed to the point of a gross offer before being forwarded to Life Equity for closing in 2007.

f. In December 2006, GREAT WEST GROWTH solicited, received, and accepted for purchase consideration from broker Welcome Funds, Inc., two John Hancock Life Insurance Company (U.S.A.) policies (#58292871 and #58292525). The viator was Florida resident F.T. These policies were received by GREAT WEST GROWTH and processed to the point of determining gross offers before being forwarded to Life Equity for closing in 2007.

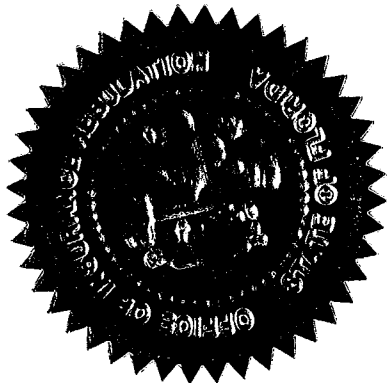
g. In November and December 2006, GREAT WEST GROWTH solicited, received, and accepted for purchase consideration from broker Life Insurance Settlements, Inc., a Transamerica Occidental Life Insurance Company policy (#601238906). The viator was Florida resident J.C. The policy was received by GREAT WEST GROWTH and processed to the point of determining a gross offer before being forwarded to Life Equity for closing in 2007.


19. In addition to the transactions set forth above, GREAT WEST GROWTH solicited, received, accepted for purchase consideration, and processed in varying degrees, more

than 200 other submissions from brokers involving the proposed sale of life insurance policies owned by Florida residents.

WHEREFORE, because GREAT WEST GROWTH has performed the functions of a Florida viatical settlement provider without being properly licensed, in violation of Section 626.9912, Florida Statutes, the OFFICE shall issue a Final Cease and Desist Order requiring GREAT WEST GROWTH to cease and desist from its unlawful activities, and requiring GREAT WEST GROWTH to pay a fine in accordance with Section 626.99272, Florida Statutes, unless a Petition is filed pursuant to the attached Notice of Rights within 21 days of receipt of this initial Order.

DONE and ORDERED this 3<sup>rd</sup> day of July, 2007.



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

## NOTICE OF RIGHTS

Pursuant to Sections 120.569 and 120.57, Florida Statutes and Rule Chapter 28-106, Florida Administrative Code (F.A.C.), you may have a right to request a proceeding to contest this action by the Office of Insurance Regulation (hereinafter the "Office"). You may request a proceeding by filing a Petition. Your Petition for a proceeding must be in writing and must be filed with the General Counsel acting as the Agency Clerk, Office of Insurance Regulation. If served by U.S. Mail the Petition should be addressed to the Florida Office of Insurance Regulation at 612 Larson Building, Tallahassee, Florida 32399-4206. If Express Mail or hand-delivery is utilized, the Petition should be delivered to 612 Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0300. The written Petition must be received by, and filed in the Office no later than 5:00 p.m. on the twenty-first (21) day after your receipt of this notice. Unless your Petition challenging this action is received by the Office within twenty-one (21) days from the date of the receipt of this notice, the right to a proceeding shall be deemed waived. Mailing the response on the twenty-first day will not preserve your right to a hearing.

If a proceeding is requested and there is no dispute of material fact the provisions of Section 120.57(2), Florida Statutes may apply. In this regard you may submit oral or written evidence in opposition to the action taken by this agency or a written statement challenging the grounds upon which the agency has relied. While a hearing is normally not required in the absence of a dispute of fact, if you feel that a hearing is necessary one may be conducted in Tallahassee, Florida or by telephonic conference call upon your request.

If you dispute material facts which are the basis for this agency's action you may request a formal adversarial proceeding pursuant to Sections 120.569 and 120.57(1), Florida Statutes. If you request this type of proceeding, the request must comply with all of the requirements of Rule Chapter 28-106.201, F.A.C., must demonstrate that your substantial interests have been affected by this agency's action, and must contain the following in order to be considered:

- a) A statement of all disputed issues of material fact. If there are none, the petition must so indicate;
- b) A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action;
- c) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action; and
- d) A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the agency to take with respect to the agency's proposed action.

These proceedings are held before a State administrative law judge of the Division of Administrative Hearings. Unless the majority of witnesses are located elsewhere the Office will request that the hearing be conducted in Tallahassee.

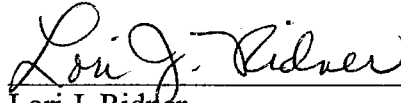
In some instances you may have additional statutory rights than the ones described herein.

Failure to follow the procedure outlined with regard to your response to this notice may result in the request being denied. Any request for administrative proceeding received prior to the date of this notice shall be deemed abandoned unless timely renewed in compliance with the guidelines as set out above.



**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing Order to Cease and Desist and to Assess Penalty has been sent by Certified Mail this 3rd day of July, 2007, to GREAT WEST GROWTH, LLC, at the addresses listed on page 1 of this Order



Lori J. Ridner

Fla. Bar No. 568392

Florida Office of Insurance Regulation

Legal Services Office

200 E. Gaines Street, Room 646E

Tallahassee, FL 32399-4206

Telephone: (850) 413-4158

Facsimile: (850) 488-0657



**FILED**

JUL 3 2007

OFFICE OF INSURANCE REGULATION

OFFICE OF  
INSURANCE REGULATION  
Docketed by: elg

KEVIN M. McCARTY  
COMMISSIONER

IN THE MATTER OF:

**GREAT WEST GROWTH, LLC**

CASE NO.: 89904-07

**ORDER TO CEASE AND DESIST  
AND TO ASSESS PENALTY**

TO: GREAT WEST GROWTH, LLC  
c/o NRAI Services, Inc.  
Florida Resident Agent  
2731 Executive Park Drive, Suite 4  
Weston, FL 33331

GREAT WEST GROWTH, LLC  
c/o Paul A. Siegert  
Managing Member and CEO  
60 S. Sixth Street, Suite 2540  
Minneapolis, MN 55402

**YOU ARE HEREBY NOTIFIED** that pursuant to the Florida Insurance Code, including Sections 624.307, 626.9561, and 626.9922, Florida Statutes, the STATE OF FLORIDA, OFFICE OF INSURANCE REGULATION (hereinafter "the OFFICE") caused an examination to be made of GREAT WEST GROWTH, LLC (hereinafter "GREAT WEST GROWTH") in connection with its application for licensure as a Florida viatical settlement provider. Pursuant to Sections 626.909, 626.910, 626.9571, 626.9581, 626.9927, and 626.99272, Florida Statutes, the OFFICE intends to enter a Final Order requiring GREAT WEST GROWTH to cease and desist from unlawfully transacting business as an unlicensed Florida viatical settlement provider, and requiring the payment of a fine. As grounds therefor, the OFFICE alleges that:

1. The Office has jurisdiction over the subject matter hereof and parties to this proceeding.

2. GREAT WEST GROWTH is a foreign limited liability company organized in Delaware on or about February 22, 2006, with its principal place of business located in Minneapolis, Minnesota.

3. On or about March 2, 2006, GREAT WEST GROWTH registered as a foreign limited liability company with the Florida Department of State, Division of Corporations, for the purpose of transacting business in Florida as a viatical settlement provider.

4. On or about July 6, 2006, the OFFICE received GREAT WEST GROWTH's application for a Florida viatical settlement provider license.

5. Section 626.9922(1), Florida Statutes, provides in relevant part:

The office or department may examine the business and affairs of any of its respective licensees or applicants for a license.

6. In December 2006, the OFFICE performed a pre-licensure examination of GREAT WEST GROWTH at its principal office in Minneapolis, Minnesota.

7. GREAT WEST GROWTH withdrew its application for a Florida viatical settlement provider license on or about February 28, 2007.

8. Section 626.9912(1), Florida Statutes, provides:

A person may not perform the functions of a viatical settlement provider as defined in this act or enter into or solicit a viatical settlement contract without first having obtained a license from the office.

9. Section 626.9911, Florida Statutes, provides in relevant part:

(10) "Viatical settlement contract" means a written agreement entered into between a viatical settlement provider, or its related provider trust, and a viator. The viatical settlement contract

includes an agreement to transfer ownership or change the beneficiary designation of a life insurance policy . . . .

(12) "Viatical settlement provider" means a person who, in this state, from this state, or with a resident of this state, effectuates a viatical settlement contract. The term does not include:

(a) Any bank, savings bank, savings and loan association, credit union, or other licensed lending institution that takes an assignment of a life insurance policy as collateral for a loan.

(b) A life and health insurer that has lawfully issued a life insurance policy that provides accelerated benefits to terminally ill policyholders or certificate holders.

(c) Any natural person who enters into no more than one viatical settlement contract with a viator in 1 calendar year, unless such natural person has previously been licensed under this act or is currently licensed under this act.

(d) A trust that meets the definition of a "related provider trust."

(e) A viator in this state.

(f) A financing entity.

10. Section 626.99272, provides in relevant part:

(1) The office or department as appropriate may issue a cease and desist order upon a person that violates any provision of this part, any rule or order adopted by the commission, office or department or any written agreement entered into with the office or department.

(3) The office or department may impose and collect an administrative fine not to exceed \$10,000 for each non-willful violation and \$25,000 for each willful violation of any provision of this part.

11. Section 626.9927(1), Florida Statutes, provides in relevant part:

(1) A violation of [the Viatical Settlement Act] is an unfair trade practice under ss. 626.9521 and 626.9541 and is subject to the penalties provided in the insurance code.

12. Section 626.9581, Florida Statutes, provides in relevant part:

If it is determined that the person charged has engaged in an unfair or deceptive act or practice . . . , the department or office shall also issue an order requiring the violator to cease and desist in engaging in such method of competition, act, or practice.

13. Section 626.99285, Florida Statutes, provides:

In addition to other applicable provisions cited in the insurance code, the office or department, as appropriate, has the authority granted under ss. 624.310, 626.901, and 626.989 to regulate viatical settlement providers, viatical settlement brokers, viatical settlement contracts, and viatical settlement transactions.

14. GREAT WEST GROWTH has never been licensed or authorized to transact business as a Florida viatical settlement provider.

15. GREAT WEST GROWTH is not exempted by any state or federal statutory provisions from complying with the requirements of the Florida Insurance Code.

16. GREAT WEST GROWTH has an Internet website located at <http://www.greatwestgrowth.com>, and the company is described therein as "a direct purchaser of life settlements. . . ." The website contains a listing of states for which GREAT WEST GROWTH has indicated whether or not it is legally authorized to transact business as a viatical settlement provider: Florida is listed as a state in which GREAT WEST GROWTH is not authorized.

17. GREAT WEST GROWTH contracted with Life Equity, LLC, a Florida licensed viatical settlement provider (hereinafter "Life Equity"), to complete paperwork and close viatical settlement contracts involving life insurance policies owned by Florida residents to be purchased by the GWG DLP Master Trust, a Delaware statutory trust incorporated on or about March 1, 2006. GWG DLP Master Trust is wholly owned by GREAT WEST GROWTH.

18. Prior to filing its application for licensure with the OFFICE and during the pendency of the application review process, GREAT WEST GROWTH performed the functions of a viatical settlement provider by soliciting, receiving, evaluating, and processing viatical settlement contracts relative to at least eight life insurance policies involving Florida viators, as

described in more detail below:

a. In May 2006, GREAT WEST GROWTH solicited, received, and accepted for purchase consideration from broker LifeOptions, LLC, an ING/Security Life of Denver Insurance Company policy (#1572201). The viator was H.G.W.H., LLC, a Florida limited liability company. The policy was received by GREAT WEST GROWTH and processed to the point of having a negotiated purchase price before being forwarded to Life Equity.

b. In September 2006, GREAT WEST GROWTH solicited, received, and accepted for purchase consideration from broker Rumson Capital, LP, a Mass Mutual Life Insurance Company policy (#8266490). The viator was Florida resident E.H. The policy was received by GREAT WEST GROWTH and processed to the point of "Bid Won" before being forwarded to Life Equity. While this policy did not result in a viatical settlement contract and purchase, GREAT WEST GROWTH did solicit, receive, accept, evaluate, process, and negotiate the policy to an understanding of gross price and net contract amount with intent to purchase.

c. In October 2006, GREAT WEST GROWTH solicited, received, and accepted for purchase consideration from broker Welcome Funds, Inc., a Jefferson Pilot Life Insurance Company policy (#JF5292897). The viator was M.S.I.T, a Florida-sitused irrevocable trust. The policy was received by GREAT WEST GROWTH and processed to the point of specific dollar amounts being determined to be paid before the policy was forwarded to Life Equity. While this policy did not result in a viatical settlement contract and purchase, GREAT WEST GROWTH did solicit, process, and negotiate the policy to an understanding of gross price with intent to purchase.

d. In October 2006, GREAT WEST GROWTH solicited, received, and accepted for purchase consideration from broker CIGI Direct Insurance Services, Inc., a U.S.

Financial Life Insurance Company policy (#0000276159). The viator was Florida resident R.D. The policy was received by GREAT WEST GROWTH and processed to the point of specific dollar amounts being designated to be paid to the viator and broker before forwarding the policy to Life Equity to purchase on GREAT WEST GROWTH's behalf. Although the viator decided not to sell, GREAT WEST GROWTH did solicit, process, and negotiate the policy to an understanding of gross price with intent to purchase.

e. In October 2006, GREAT WEST GROWTH solicited, received, and accepted for purchase consideration from broker ELA Viatical Services, LLC, an ING/Security Life of Denver Insurance Company policy (#1613362). The viator was Florida resident M.S. The policy was received by GREAT WEST GROWTH and processed to the point of a gross offer before being forwarded to Life Equity for closing in 2007.

f. In December 2006, GREAT WEST GROWTH solicited, received, and accepted for purchase consideration from broker Welcome Funds, Inc., two John Hancock Life Insurance Company (U.S.A.) policies (#58292871 and #58292525). The viator was Florida resident F.T. These policies were received by GREAT WEST GROWTH and processed to the point of determining gross offers before being forwarded to Life Equity for closing in 2007.

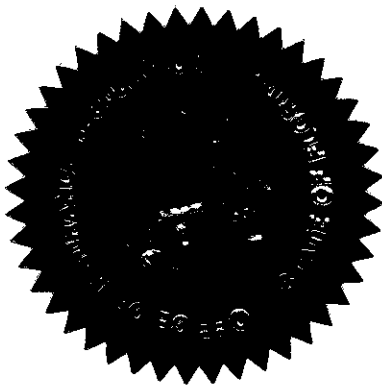
g. In November and December 2006, GREAT WEST GROWTH solicited, received, and accepted for purchase consideration from broker Life Insurance Settlements, Inc., a Transamerica Occidental Life Insurance Company policy (#601238906). The viator was Florida resident J.C. The policy was received by GREAT WEST GROWTH and processed to the point of determining a gross offer before being forwarded to Life Equity for closing in 2007.

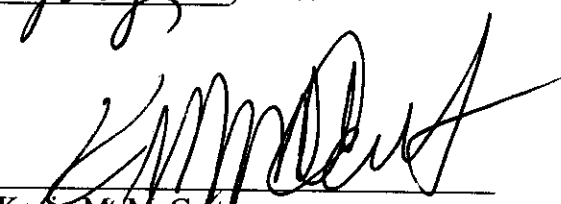
19. In addition to the transactions set forth above, GREAT WEST GROWTH solicited, received, accepted for purchase consideration, and processed in varying degrees, more

than 200 other submissions from brokers involving the proposed sale of life insurance policies owned by Florida residents.

WHEREFORE, because GREAT WEST GROWTH has performed the functions of a Florida viatical settlement provider without being properly licensed, in violation of Section 626.9912, Florida Statutes, the OFFICE shall issue a Final Cease and Desist Order requiring GREAT WEST GROWTH to cease and desist from its unlawful activities, and requiring GREAT WEST GROWTH to pay a fine in accordance with Section 626.99272, Florida Statutes, unless a Petition is filed pursuant to the attached Notice of Rights within 21 days of receipt of this initial Order.

DONE and ORDERED this 3<sup>rd</sup> day of July, 2007.



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



## NOTICE OF RIGHTS

Pursuant to Sections 120.569 and 120.57, Florida Statutes and Rule Chapter 28-106, Florida Administrative Code (F.A.C.), you may have a right to request a proceeding to contest this action by the Office of Insurance Regulation (hereinafter the "Office"). You may request a proceeding by filing a Petition. Your Petition for a proceeding must be in writing and must be filed with the General Counsel acting as the Agency Clerk, Office of Insurance Regulation. If served by U.S. Mail the Petition should be addressed to the Florida Office of Insurance Regulation at 612 Larson Building, Tallahassee, Florida 32399-4206. If Express Mail or hand-delivery is utilized, the Petition should be delivered to 612 Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0300. The written Petition must be received by, and filed in the Office no later than 5:00 p.m. on the twenty-first (21) day after your receipt of this notice. Unless your Petition challenging this action is received by the Office within twenty-one (21) days from the date of the receipt of this notice, the right to a proceeding shall be deemed waived. Mailing the response on the twenty-first day will not preserve your right to a hearing.

If a proceeding is requested and there is no dispute of material fact the provisions of Section 120.57(2), Florida Statutes may apply. In this regard you may submit oral or written evidence in opposition to the action taken by this agency or a written statement challenging the grounds upon which the agency has relied. While a hearing is normally not required in the absence of a dispute of fact, if you feel that a hearing is necessary one may be conducted in Tallahassee, Florida or by telephonic conference call upon your request.

If you dispute material facts which are the basis for this agency's action you may request a formal adversarial proceeding pursuant to Sections 120.569 and 120.57(1), Florida Statutes. If you request this type of proceeding, the request must comply with all of the requirements of Rule Chapter 28-106.201, F.A.C., must demonstrate that your substantial interests have been affected by this agency's action, and must contain the following in order to be considered:

- a) A statement of all disputed issues of material fact. If there are none, the petition must so indicate;
- b) A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action;
- c) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action; and
- d) A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the agency to take with respect to the agency's proposed action.

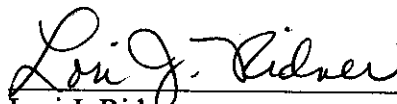
These proceedings are held before a State administrative law judge of the Division of Administrative Hearings. Unless the majority of witnesses are located elsewhere the Office will request that the hearing be conducted in Tallahassee.

In some instances you may have additional statutory rights than the ones described herein.

Failure to follow the procedure outlined with regard to your response to this notice may result in the request being denied. Any request for administrative proceeding received prior to the date of this notice shall be deemed abandoned unless timely renewed in compliance with the guidelines as set out above.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing Order to Cease and Desist and to Assess Penalty has been sent by Certified Mail this 3rd day of July, 2007, to GREAT WEST GROWTH, LLC, at the addresses listed on page 1 of this Order



Lori J. Ridner

Fla. Bar No. 568392

Florida Office of Insurance Regulation

Legal Services Office

200 E. Gaines Street, Room 646E

Tallahassee, FL 32399-4206

Telephone: (850) 413-4158

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