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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.

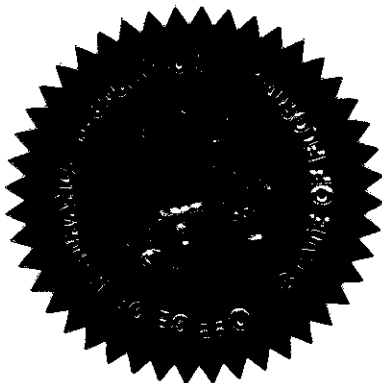
g. In November and December 2006, GREAT WEST GROWTH solicited, received, and accepted for purchase consideration from broker Life Insurance Settlements, Inc., a Transamerica Occidental Life Insurance Company policy (#601238906). The viator was Florida resident J.C. The policy was received by GREAT WEST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

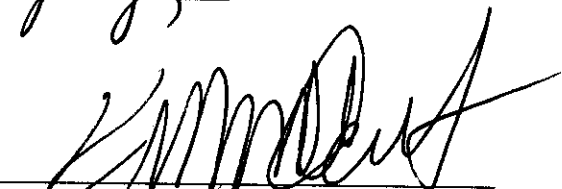
19. In addition to the transactions set forth above, GREAT WEST GROWTH solicited, received, accepted for purchase consideration, and processed in varying degrees, more

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 3rd 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.

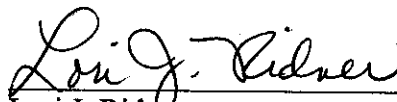
These proceedings are held before a State administrative law judge of the Division of Administrative Hearings. Unless the majority of witnesses are located elsewhere the Office will request that the hearing be conducted in Tallahassee.

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

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