
BEFORE THE
DIVISION OF SECURITIES
DEPARTMENT OF FINANCIAL INSTITUTIONS
STATE OF WISCONSIN

In the Matter of:
AIDE THE LIVING, INC., and
CLARE WILLIAM WILLMAN,

STATEMENT OF STAFF
ALLEGATIONS AND PETITION
FOR ORDER OF PROHIBITION
AND REVOCATION

Respondents.

File Number S-98131 (EX)

WHEREAS the Staff of the Enforcement Unit of the Division of Securities of the Department of Financial Institutions, State of Wisconsin, has conducted an investigation in the above-captioned matter pursuant to secs. 15.02(4) and 551.56, Wis. Stats., and as a result thereof alleges as follows:

1. Aide the Living, Inc. [hereinafter referred to as "ATL"] is a foreign business operation whose form of organization is unknown to the Staff at this time, whose last known business address was 100 East B Street, Iron Mountain, Michigan 49801;
2. Clare William Willman [hereinafter referred to as "Willman"] is upon information and belief an adult male individual whose last known residence address was 1654 South Park Street, Iron Mountain, Michigan 49801;
3. Iron Mountain, Michigan is located in Michigan's Upper Peninsula;
4. Upon information and belief, Williams was at all times material hereto the owner, operator, and controlling person of ATL;
5. During at least 1997, Willman and ATL offered and sold to an as yet undetermined number of persons in Wisconsin investments in the form of interests in viatical settlement contracts of insurance;
6. In June of 1993, the Staff was contact by a person in Wisconsin [hereinafter referred to as "the Complainant"] to whom Willman and ATL had offered and sold such an interest in a viatical settlement contract through one John Beversdorf, the insurance contract having been represented as that of terminally ill heart patient with a life expectancy of between 12 and 24 months; the Complainant informed the Staff that she had received a form notice from ATL that it had, without prior notice to her and without her permission, sold the policy referenced in Paragraph 5 above at a loss to her;

7. The Staff has examined the materials furnished to it by the Complainant, which purport to be all the materials received by her from ATL, and has found among those materials no evidence whatsoever that in fact ATL had ever owned the policy referenced in Paragraphs 5 and 6 above;

8. Among the materials furnished to the Complainant in connection with the offer and sale to her of the investment as described in Paragraphs 5 through 7 above are printed statements by ATL, in a promotional brochure, that in such a transaction the investor "...becomes the new beneficiary and owner of the [insured's] policy" and that at that point "The issuing insurance company acknowledges these changes on its records to reflect the new owner/beneficiary," and that "Upon notice of the death of the [insured], the insurance company makes payment of the policy's proceeds directly to the purchaser who is now the beneficiary;"

9. Upon receiving the complaint of the Complainant, the Staff wrote a letter of inquiry to ATL to which the Staff has never received a response;

10. However, on or about the due date for a response as set forth in the inquiry letter referenced in Paragraph 9 above, the Staff received a telephone call from a man identifying himself as the father of Willman and identifying Willman as the owner, operator, and controlling person of ATL, and stating that he was telephoning on behalf of Willman and that Willman would be sending a full response to the Staff's inquiry letter but that meanwhile his father wished to explain to us on behalf of Willman that ATL was going out of business since it was in the process of selling its entire inventory of viatical insurance policies because of adverse market conditions; when the Staff asked how ATL was able on its own to sell policies that according to ATL's literature belonged to the investors who had purchased them from or through ATL, that man replied that in fact all of the policies were owned by and were in the name of ATL and not the investors;

11. In light of the statements made by the father of Willman as set forth in Paragraph 10 above, the representations made by ATL as to both ownership of the viatical contracts by the investors and recognition by the issuing insurance companies of the investors as the named beneficiaries, as referenced in Paragraph 8 above, were materially false statements;

12. The viatical investment interests offered and sold in Wisconsin by Willman and ATL as set forth hereinabove were securities as that term is used and defined in Ch. 551, Wis. Stats.;

13. None of the securities referenced in Paragraph 12 above were registered pursuant to Ch. 551, Wis. Stats., for their offer or sale in Wisconsin;

14. The offers and sales by Willman and ATL of securities to persons in Wisconsin as set forth in Paragraphs 5 through 13 above, when as set forth in Paragraph 13 above those

securities were not registered for such offers and sales, constituted violations by ATL and Willman of sec. 51.21(1), Wis. Stats.;

15. The material misstatements of fact made by ATL and Willman in connection with their offers and sales of securities as set forth in Paragraphs 5 through 11 and 12 above constitute wilful violations by ATL and Willman of sec. 551.41(2), Wis. Stats., the principal anti-fraud provision of the Wisconsin Uniform Securities Law;

16. Upon information and belief, in connection with the offers and sales of securities to persons in Wisconsin as set forth hereinabove, ATL and Willman employed as a securities agent or agents, as that term is defined and used in Ch. 551, Wis. Stats., a person or persons not licensed as such pursuant to Ch. 551, Wis. Stats.;

17. The employment by ATL and Willman of an unlicensed securities agent or unlicensed securities agents, as set forth in Paragraph 16 above, constituted violations by ATL and Willman of sec. 551.31(2), Wis. Stats.;

18. During the period from at least August 1997 through March 1998 and May 29, 1998 through October 13, 1998, Willman had been licensed as a securities agent in Wisconsin for Assist Investment Management Company and Packerland Brokerage Services, Inc., respectively;

19. On September 16, 1998, the Staff again wrote to ATL, renewing and expanding its factual inquiry in this matter and pointing out that it had had no response to its previous inquiry letter; but the Staff has received no response to that inquiry letter, and thus to date the Staff still has no evidence whatever that in fact ATL and Willman had purchased the beneficial interests in life insurance policies it purported to have sold to investors including the Complainant;

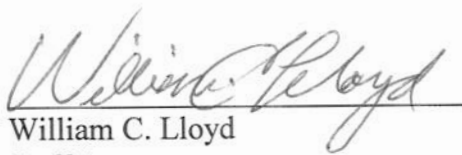
20. The failure by Willman to respond to the Staff's factual inquiry in this matter constitutes withholding and concealing material facts from the Division of Securities and refusing to furnish information reasonably requested by the Division, and grounds pursuant to sec. 551.34(1)(m), Wis. Stats., for the revocation of Willman's securities agent license;

21. The offers and sales of unregistered securities in Wisconsin through an unlicensed securities agent or unlicensed securities agents by Willman pursuant to violations by Willman of sec. 551.41(2), Wis. Stats., as set forth in Paragraphs 14, 15, and 17 above, constitute grounds pursuant to sec. 551.34(2), Wis. Stats., for the revocation of Willman's Wisconsin securities agent license;

22. According to data of the Central Registration Depository of the National Association of Securities Dealers, Inc., Willman was terminated by Packerland Brokerage Services, Inc. on or about October 7, 1998, for "alleged forgery," and the Staff is informed by other sources that the "alleged forgery" as grounds for his termination was complaints

by securities customers that Willman had forged their signatures on orders transferring their securities from another securities brokerage firm;

THEREFORE, the Staff of the Enforcement Unit hereby petitions the Administrator of the Division of Securities of the Department of Financial Institutions, or her designee, for the issuance of the attached Order of Prohibition and Revocation pursuant to Ch. 551, Wis. Stats.


William C. Lloyd
Staff Attorney
Enforcement Unit

10/27/98
Date

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Based upon the attached Statement of Staff Allegations and Petition for Order of Prohibition and Revocation, I have reason to believe that unregistered securities have been offered and sold in Wisconsin in violation of Ch. 551, Wis. Stats., and that any further offer or sale of unregistered securities in Wisconsin by or on behalf of the Respondent[s] would be fraudulent to purchasers, and I find that the issuance of this Order of Prohibition and Revocation is necessary or appropriate in the public interest and for the protection of investors;

THEREFORE, pursuant to secs. 551.24(2), 551.60(2)(a) and (b), 551.34(1)(m) and (2), and 551.63, Wis. Stats.,

IT IS ORDERED THAT:

1. Aide the Living, Inc., Clare William Willman, and each of them, and their every servant, agent, and employee, and every person and firm directly or indirectly controlled or organized by or on behalf of either or any of them, are prohibited from making any offer or sale of any security to any person or firm in Wisconsin unless and until each such security is registered for such offer or sale pursuant to Ch. 551, Wis. Stats., or successor statute.
2. Every exemption from registration pursuant to Ch. 551, Wis. Stats., and successor statutes, that might otherwise apply to the offer or sale of any security of or by Aide the Living, Inc., or Clare William Willman, or either of them, or of or by any servant, agent, or employee of either of them, or of or by any person or firm directly or indirectly controlled or organized by or on behalf of either of them, is hereby revoked.

3. Aide the Living, Inc., and Clare William Willman, and each of them, are prohibited from violating sec. 551.41, Wis. Stats., or successor statute.
4. Aide the Living, Inc., and Clare William Willman, and each of them, are prohibited from employing any person as a securities agent in the offer or sale of any security to any person in Wisconsin unless and until such agent is properly licensed as a securities agent for such offer or sale pursuant to Ch. 551, Wis. Stats., or successor statute.
5. The Wisconsin securities agent license of Clare William Willman is hereby revoked as of its last effective date, October 13, 1998.

EXECUTED at Madison, Wisconsin, this 2nd day of November, 1998.

(SEAL)



 PATRICIA D. STRUCK
 Administrator
 Division of Securities
 Department of Financial Institutions

NOTICE:

Pursuant to sec. 551.61(2), Wis. Stats., within thirty (30) days after any Order has become effective without a hearing, any interested party may file a written request with the Administrator of the Division of Securities for a hearing in respect to any matters determined by the Order. A request for hearing shall be in the form of a Petition for Hearing, and shall, pursuant to section DFI - SEC 8.01, Wis. Adm. Code, plainly admit or deny each specific allegation, finding, and conclusion in the Order and incorporated papers (unless the Petitioner lacks sufficient knowledge or information to permit such an admission or denial, in which case the Petition shall so state, and such statement shall have the effect of a denial), and shall state all affirmative defenses.

You are further advised that any wilful violation of an Order issued by the Administrator of the Division of Securities or her designee pursuant to Ch. 551, Wis. Stats., is a criminal offense punishable as a felony pursuant to sec. 551.58, Wis. Stats. "Wilful" for purposes of Ch. 551, Wis. Stats., and any Order issued pursuant thereto, does not require proof of intent to violate the law or such Order.