

BEFORE THE ARIZONA CORPORATION COMMISSION

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WILLIAM A. MUNDELL
Chairman
JIM IRVIN
Commissioner
MARC SPITZER
Commissioner

In the matter of)
Accelerated Success, Inc.)
500 N. Rainbow Blvd., Ste. 300)
Las Vegas, NV 89107)
and)
6671 E. Baseline Rd. #105)
Mesa, AZ 85206)
Kenneth R. Morris)
500 N. Rainbow Blvd., Ste. 300)
Las Vegas, NV 89107)
Robert D. Pierson)
6671 E. Baseline Rd. #105)
Mesa, AZ 85206)
Integrity Assured Life Settlements, Inc.)
1218 Pulaski Highway, Ste. 342)
Bear, DE 19701)
Steven S. Levine Chartered)
11403 Cronridge Drive, Ste. 230)
Owings Mills, MD 21117-2295,)
Respondents.)

DOCKET NO. S-03445A-01-0000

DECISION NO. 54199

**ORDER TO CEASE AND DESIST,
ORDER FOR ADMINISTRATIVE
PENALTIES AND CONSENT TO
SAME BY: STEVEN S. LEVINE
CHARTERED**

RESPONDENT STEVEN S. LEVINE CHARTERED elects to permanently waive its right to a hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801, *et seq.* (“Securities Act”) with respect to this Order To Cease And Desist, Order for Administrative Penalties and Consent to Same (“Order”). LEVINE admits the jurisdiction of the Arizona Corporation Commission (“Commission”); neither admits nor denies the Findings of Fact

1 and Conclusions of Law contained in this Order; and consents to the entry of this Order by the
2 Commission.

3 **I.**

4 **FINDINGS OF FACT**

5 1. STEVEN S. LEVINE CHARTERED (“LEVINE”), located at 11403 Cronridge
6 Drive, Ste. 230, Owings Mills, MD 21117-2295, is a Maryland corporation.

7 2. From on or around March, 2001 respondent INTEGRITY ASSURED LIFE
8 SETTLEMENTS, INC. (“INTEGRITY”) offered and sold to Arizona investors securities in the
9 form of viatical settlement contracts. A viatical settlement contract is the purchase of the beneficial
10 interest in a life insurance policy of a terminally ill or elderly individual. INTEGRITY would
11 purchase a life insurance policy at a price below the face value of the death benefit, transfer
12 ownership of the policy to LEVINE in trust, and then sell the right to the face value of the policy to
13 purchasers at a mark-up. At maturity, that is, upon the death of the insured, purchasers would
14 receive a return in the form of the full face value.

15 3. INTEGRITY utilized the services of respondent ACCELERATED SUCCESS, INC.
16 (“ASI”) to market the viatical settlement contracts.

17 4. INTEGRITY prepared marketing material stating that purchasers’ money would be
18 initially placed in escrow with LEVINE, to be held until INTEGRITY located a policy for
19 purchase. Purchasers were required to sign a limited power of attorney giving INTEGRITY and
20 LEVINE the power to handle all documentation related to the purchase and assignment of the
21 policy. Purchasers were asked to sign an agreement when they invested stating that LEVINE would
22 be named as the “irrevocable beneficiary” on the purchased policy. LEVINE would also be the
23 owner of the policy. Purchasers were told to make their checks out to LEVINE.

24 5. After INTEGRITY instructed LEVINE to close the purchase of a life insurance
25 policy with the purchaser’s money, the purchaser would be sent a closing packet verifying the
26 purchase with certain medical and insurance information. Insured parties would not be identified

1 by name, nor would purchasers have access to additional information regarding the insured's
2 medical history.

3 6. The marketing material states that after purchase of a policy, LEVINE would
4 monitor the policy, track the insured's medical history, pay any premiums due on the policy until
5 maturity, file death certificates, and distribute insurance proceeds. LEVINE also had authority to
6 release up to 20% of investors' money for administrative costs to INTEGRITY. Investors were not
7 given any information about the actual cost of the policy, the amount utilized to prepay premiums,
8 the commissions or fees paid to other brokers or marketers by INTEGRITY, or paid to LEVINE.
9 Investors were not given any other financial background information about INTEGRITY and
10 LEVINE.

11 7. LEVINE maintained each viatical investment and took ownership of investment assets
12 under an agreement with INTEGRITY. LEVINE received a percentage of purchaser funds for its
13 participation in the viatical program.

14 8. At least 12 Arizona residents purchased a total of \$558,128.31 in viatical settlement
15 contracts. Upon receipt of a Temporary Order to Cease and Desist, respondents INTEGRITY,
16 LEVINE, and ASI voluntarily returned at least \$503,178.31 to purchasers. Respondents INTEGRITY
17 and ASI have agreed to assume responsibility for the remainder due to purchasers plus interest.

18 **II.**

19 **CONCLUSIONS OF LAW**

20 1. The Commission has jurisdiction over this matter pursuant to Article XV of the
21 Arizona Constitution and the Securities Act.

22 2. LEVINE facilitated the offer and sale of securities within or from Arizona within
23 the meaning of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

24 3. LEVINE violated A.R.S. § 44-1841 by facilitating the offer and sale of unregistered
25 and non-exempt securities within Arizona.

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1 shall be made by cashier's check or money order upon entry of this Order.

2 IT IS FURTHER ORDERED that this Order shall become effective immediately.

3 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

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6 CHAIRMAN

COMMISSIONER

COMMISSIONER

7 IN WITNESS WHEREOF, I, BRIAN C. McNEIL,
8 Executive Secretary of the Arizona Corporation
9 Commission, have hereunto set my hand and caused the
10 official seal of the Commission to be affixed at the
11 Capitol, in the City of Phoenix, this _____ day of
12 _____, 2001.

13 _____
14 BRIAN C. McNEIL
15 Executive Secretary

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17 _____
18 DISSENT

19 This document is available in alternative formats by contacting Shelly M. Hood, ADA Coordinator,
20 voice phone number 602-542-3931, E-mail shood@cc.state.az.us.
21 (SF)

CONSENT TO ENTRY OF ORDER

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2 1. RESPONDENT STEVEN S. LEVINE CHARTERED (“LEVINE”) admits the
3 jurisdiction of the Commission over the subject matter of this proceeding. LEVINE acknowledges
4 that it has been fully advised of its right to a hearing to present evidence and call witnesses and
5 LEVINE knowingly and voluntarily waives any and all rights to a hearing before the Commission
6 and all other rights otherwise available under Article 11 of the Securities Act and Title 14 of the
7 Arizona Administrative Code. LEVINE acknowledges that this Order to Cease and Desist and
8 Order for Administrative Penalties and Consent to Same (“Order”) constitutes a valid final order of
9 the Commission.

10 2. LEVINE knowingly and voluntarily waives any right under Article 12 of the
11 Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief
12 resulting from the entry of this Order.

13 3. LEVINE acknowledges and agrees that this Order is entered into freely and
14 voluntarily and that no promise was made or coercion used to induce such entry.

15 4. LEVINE acknowledges that it has been represented by counsel in this matter, it has
16 reviewed this Order with its attorney and understands all terms it contains.

17 5. LEVINE neither admits nor denies the Findings of Fact and Conclusions of Law
18 contained in this Order.

19 6. By consenting to the entry of this Order, LEVINE agrees not to take any action or
20 to make, or permit to be made, any statement that is inconsistent with the terms of this Order.
21 LEVINE will undertake steps necessary to assure that all of its agents and employees understand
22 and comply with this agreement. However, nothing in this Order will in any way limit LEVINE’s,
23 or its principals’ and employees’ ability to defend itself in any subsequent litigation.

24 7. While this Order settles this administrative matter between LEVINE and the
25 Commission, LEVINE understands that this Order does not preclude the Commission from
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1 instituting other administrative proceedings based on violations that are not addressed by this
2 Order.

3 8. LEVINE understands that this Order does not preclude any other agency or officer
4 of the state of Arizona or its subdivisions from instituting administrative, civil or criminal
5 proceedings that may be related to matters addressed by this Order. LEVINE understands that the
6 Commission may share any information related to this matter with any other agency.

7 9. LEVINE agrees that it will not apply to the state of Arizona for registration as a
8 securities dealer or for licensure as an investment adviser, or apply for any exemption from
9 registration until such time as all penalties under this Order are paid in full.

10 10. LEVINE agrees that it will not provide trustee, escrow, or other services to any
11 entity offering or selling viatical settlement contracts within or from the state of Arizona unless
12 such entity is properly authorized to do so by the Commission.

13 11. LEVINE understands that default shall render it liable to the Commission for its
14 costs of collection and interest at the maximum legal rate.

15 12. LEVINE agrees that it will continue to cooperate with the Securities Division
16 including, but not limited to, providing complete and accurate testimony at any hearing in this
17 matter and cooperating with the state of Arizona in any related investigation or any other matters
18 arising from the activities described in this Order. LEVINE will be reimbursed for all reasonable
19 expenses incurred under this provision.

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13. LEVINE consents to the entry of this Order and agrees to be fully bound by its terms and conditions. If LEVINE breaches any provision of this Order, the Commission may vacate this Order and restore this case to its active docket.

STEVEN S. LEVINE CHARTERED

by: _____
Steven S. Levine

Its _____

SUBSCRIBED AND SWORN TO BEFORE me this ____ day of _____, 2001.

NOTARY PUBLIC

My Commission Expires: