

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING) Order No.: S-14-1603-16-CO04
Whether there has been a violation of the)
Securities Act of Washington by:) CONSENT ORDER
) AS TO LIFE PARTNERS, INC. & LIFE PARTNERS
Life Partners, Inc.; Life Partners Holdings,) HOLDINGS, INC.
Inc.; Brian Pardo; R. Scott Peden; David Barr;)
James Billington; Kim Butler; Gary Cassill;)
Michael Chapman; Tomas Delos Santos; Neal)
Inscoc; John Ley; William Meyer; Steven)
Minnich; Tim Watters; Don Wells; Alliance of)
Professionals for Business, Inc.; NW)
Retirement Solutions LLC; NW Safe)
Retirement LLC; Partners Portfolio Solutions,)
Inc.; Strategic Insurance Services, LLC)
)
Respondents.)

INTRODUCTION

On March 7, 2016, the Securities Administrator of the Securities Division of the Department of Financial Institutions (“Securities Division”) issued a Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, to Impose Fines, and to Charge Costs (“Statement of Charges”) Order Number S-14-1603-16-SC01, against Respondents Life Partners, Inc.; Life Partners Holdings, Inc.; Brian Pardo; R. Scott Peden; David Barr; James Billington; Kim Butler; Gary Cassill; Michael Chapman; Tomas Delos Santos; Neal Inscoc; John Ley; William Meyer; Steven Minnich; Tim Watters; Don Wells; Alliance of Professionals for Business, Inc.; NW Retirement Solutions LLC; NW Safe Retirement LLC; Partners Portfolio Solutions, Inc.; and Strategic Insurance Services, LLC.

As set forth in the Statement of Charges, Respondents Life Partners, Inc. and Life Partners Holdings, Inc. are currently under the control of a bankruptcy trustee. In March 2016, the trustee filed a Trustee’s Report Concerning His Investigation of the Debtors’ Pre-Petition Business Conduct, referred to as the Fraud Report.¹ The Fraud Report details the trustee’s account of the facts surrounding the fraudulent sale of life settlements by Life Partners and its licensees. Pursuant to the Securities Act of Washington, RCW 21.20, the

¹ A copy of the Fraud Report is available at <http://lphitrustee.com/2016/04/06/trustees-report-concerning-his-investigation-of-the-debtors-pre-petition-business-conduct/>.

1 Securities Division, and Respondents Life Partners, Inc. and Life Partners Holdings, Inc., do hereby enter
2 into this Consent Order in settlement of the matters set forth in the Statement of Charges. Respondents Life
3 Partners, Inc. and Life Partners Holdings, Inc., neither admit nor deny the Findings of Fact and Conclusions
4 of Law set forth in the Securities Division's Statement of Charges, which are hereby incorporated by
5 reference into this Consent Order.

6 **CONSENT ORDER**

7 IT IS AGREED AND ORDERED that Respondents Life Partners, Inc. and Life Partners Holdings,
8 Inc., and their agents and employees, each shall cease and desist from violating RCW 21.20.140, the
9 securities registration section of the Securities Act of Washington.

10 IT IS FURTHER AGREED AND ORDERED that Respondents Life Partners, Inc. and Life Partners
11 Holdings, Inc., and their agents and employees, each shall cease and desist from violating RCW 21.20.010,
12 the anti-fraud section of the Securities Act of Washington.

13 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order.

14 IT IS FURTHER AGREED that Respondents Life Partners, Inc. and Life Partners Holdings, Inc.,
15 enter into this Consent Order freely and voluntarily and with a full understanding of its terms and
16 significance.

17 IT IS FURTHER AGREED that in consideration of the foregoing, Respondents Life Partners, Inc.
18 and Life Partners Holdings, Inc., waive their right to a hearing and to judicial review of this matter pursuant
19 to RCW 21.20.440 and Chapter 34.05 RCW.

20 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

Signed this 27th day of June, 2016.

Signed by:

Life Partners, Inc. & Life Partners Holdings, Inc.

/s
H. Thomas Moran
Trustee

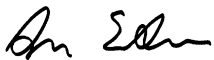
Approved as to form by:

/s
William L. Banowsky, Attorney for Trustee H. Thomas Moran
Texas State Bar #01697125

SIGNED and ENTERED this 18th day of July, 2016.



William M. Beatty
Securities Administrator



Suzanne Sarason
Chief of Enforcement



Adam N. Yeaton
Financial Legal Examiner

Reviewed by:



Jack McClellan
Financial Legal Examiner Supervisor