

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

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In the Matter of  
CAROLYN A. PETROSKE,

PETITION FOR ORDER

Respondent.

File No. S-05147(EX)

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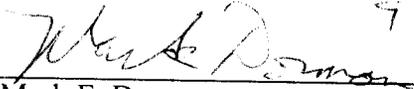
The staff of the State of Wisconsin, Department of Financial Institutions, Division of Securities, Bureau of Registration & Enforcement has conducted an investigation in this matter pursuant to § 551.56, Wis. Stats., and as a result thereof alleges as follows:

1. Carolyn A. Petroske ("Petroske") is an individual born in 1941, with a last known home address of 305 East Fifth Street, Superior, Wisconsin 54480;
2. Mutual Benefits Corporation ("Mutual Benefits") is a Florida corporation with its corporate headquarters at 2881 East Oakland Park Boulevard, Suite 200, Fort Lauderdale, Florida 33306;
3. Upon information and belief, at all times material hereto the business of Mutual Benefits was the sale of viatical settlement contracts;
4. At all times material hereto, Petroske was an insurance agent licensed by the Office of the Wisconsin Commissioner of Insurance;
5. According to information provided by Petroske and the court-appointed Receiver of Mutual Benefits to the Department, during the period of at least 2003 and 2004, Petroske, on behalf of Mutual Benefits, offered and sold to at least nine persons in Wisconsin, the viatical settlement contracts of Mutual Benefits;
6. The viatical settlement contracts of Mutual Benefits are investment contract securities as defined by DFI-Sec 1.02(6)(a), Wis. Adm. Code and sec. 551.02(13), Wis. Stats.;
7. The viatical settlement contracts have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.;
8. Petroske has violated sec. 551.21(1), Wis. Stats., by offering and selling unregistered securities to persons in Wisconsin;
9. In connection with the offers and sales of the securities described above, Petroske transacted business in Wisconsin as an "agent" for Mutual Benefits as that term is defined by sec. 551.02(2), Wis. Stats.;

10. At no time has Petroske been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.; and

11. Petroske has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license.

Therefore, the staff of the Bureau of Registration & Enforcement petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Ch. 551, Wis. Stats.

 9-30-05  
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Mark E. Dorman Date  
Examiner

 9/30/05  
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David A. Cohen Date  
Supervising Attorney