

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

In the Matter of
RONALD D. JOHNSON,

PETITION FOR ORDER

Respondent.

File No. S-05201(EX)

The staff of the State of Wisconsin, Department of Financial Institutions, Division of Securities (hereinafter "the Division"), has conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats. and as a result thereof alleges as follows:

1. Ronald D. Johnson ("Johnson") is an individual, with a year of birth of 1947, with a last known business address at that of 1717 96th Avenue, Hammond, Wisconsin 54015;
2. Beneficial Assurance Ltd., ("Beneficial Assurance") is a Maryland corporation with its last known corporate headquarters at 8003 Corporate Drive, Suite C, Baltimore, Maryland 21236;
3. Upon information and belief, at all times material hereto the business of Beneficial Assurance was the sale of viatical settlement contracts;
4. At all times material hereto, Johnson was an insurance agent licensed by the Office of the Wisconsin Commissioner of Insurance;
5. According to information provided by Johnson and an investor to staff of the Division of Securities, during the period of at least 1998, Johnson, on behalf of Beneficial Assurance, offered and sold to at least two persons in Wisconsin the viatical settlement contracts of Beneficial Assurance;
6. The viatical settlement contracts of Beneficial Assurance 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. Johnson 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, Johnson transacted business in Wisconsin as an "agent" for Beneficial Assurance as that term is defined by sec. 551.02(2), Wis. Stats.;
10. At no time has Johnson been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.; and
11. Johnson has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license.

