

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

In the Matter of
JOSEPH F. PAVELA,

PETITION FOR ORDER

Respondent.

File No. S-05146(EX)

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. Joseph F. Pavela ("Pavela") is an individual with a date of birth of December 29, 1944, with a last known home address of 300 Evergreen Court, Stoddard, Wisconsin 54658-9571;
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. Pavela previously was an insurance agent licensed by the Office of the Wisconsin Commissioner of Insurance;
5. According to information provided by Pavela, during the period of at least 2003, Pavela was paid for presenting seminars to persons in Wisconsin and Florida about investing in 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. Pavela has violated sec. 551.21(1), Wis. Stats., by offering unregistered securities to persons in Wisconsin;
9. In connection with the offers of the securities described above, Pavela transacted business in Wisconsin as an "agent" for Mutual Benefits as that term is defined by sec. 551.02(2), Wis. Stats.;

