

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

In the Matter of
PAULA J. STEINKE,

PETITION FOR ORDER

Respondent.

File No. S-05150(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. Paula J. Steinke ("Steinke") is an individual born in 1960, with a last known home address of 2615 Windsor Drive, Eau Claire, Wisconsin 54703;
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, Steinke was an insurance agent licensed by the Office of the Wisconsin Commissioner of Insurance;
5. According to information provided by Steinke, during the period of 2000 to 2003, Steinke, on behalf of Mutual Benefits, offered and sold to at least 13 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. Steinke 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, Steinke transacted business in Wisconsin as an "agent" for Mutual Benefits as that term is defined by sec. 551.02(2), Wis. Stats.;

