

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

In the Matter of
PAUL A. BERNIER,

PETITION FOR ORDER

Respondent.

File No. S-05202(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. Paul A. Bernier ("Bernier") is an individual, with a date of birth of February 6, 1947, and a CRD number of 3186272, with a last known home and business address at that of PO Box 1730, AV 334 Highway 51 North, Woodruff, Wisconsin 54868;
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, Bernier was an insurance agent licensed by the Office of the Wisconsin Commissioner of Insurance;
5. According to information provided by Premium of America, LLC, a company created from the bankruptcy of certain viatical companies, including Beneficial Assurance, Bernier on behalf of Beneficial Assurance, offered and sold to at least three persons in Wisconsin the viatical settlement contracts of Beneficial Assurance;
6. According to information provided by one of the three persons referred to in paragraph 5 above to staff of the Division of Securities, during the period of at least 1997 and 1998, Bernier on behalf of Beneficial Assurance, offered and sold to at least two of the three persons in Wisconsin the viatical settlement contracts of Beneficial Assurance;
7. 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.;
8. The viatical settlement contracts have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.;
9. Bernier has violated sec. 551.21(1), Wis. Stats., by offering and selling unregistered securities to persons in Wisconsin;

10. In connection with the offers and sales of the securities described above, Bernier transacted business in Wisconsin as an "agent" for Beneficial Assurance as that term is defined by sec. 551.02(2), Wis. Stats.;

11. At no time has Bernier been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.;

12. Bernier has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license; and

13. Staff of the Division wrote to Bernier requesting information and documents concerning his investment-related activities with persons in Wisconsin but, to date, has only gotten part of the information and documents concerning those activities.

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.

Mark E. Dorman 12-27-05
Mark E. Dorman Date
Examiner

David A. Cohen 1/4/06
David A. Cohen Date
Supervising Attorney