

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

In the Matter of
DAVID C. WHITE,

ORDER OF PROHIBITION
AND REVOCATION
(SUMMARY)

Respondent.

File No. S-209619(EX)

Based upon the attached Petition for Order, I have reason to believe that any further offer or sale of unregistered securities by or on behalf of the Respondent would be fraudulent to purchasers, and I find that this action is necessary and appropriate in the public interest and for the protection of investors;

Therefore, pursuant to § 551.61(2), Wis. Stats.,¹

IT IS ORDERED THAT:

- a. David C. White, his agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on his behalf, are prohibited from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities qualify as covered securities or are registered under Ch. 551, Wis. Stats., or successor statute.
- b. All exemptions from registration set forth at Ch. 551, Wis. Stats., or successor statute, that might otherwise apply to any offer or sale of any security of or by David C. White, his agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on his behalf, are hereby revoked.
- c. David C. White, his agents, servants, employees, and every entity and person directly or indirectly controlled or organized by or on his behalf, are prohibited from violating § 551.501, Wis. Stats. (2007-08), or successor statute.

EXECUTED at Madison, Wisconsin, this 7th day of July, 2011.

(SEAL)



Patricia D. Struck
Administrator
Division of Securities

¹ Unless otherwise noted, all statutory references are to the Wisconsin Statutes (2005-06), which were in effect at the time of the violations alleged and apply pursuant to § 551.703, Wis. Stats. (2007-08).

NOTICE:

This Order is effective on the date it is issued. Any person subject to the Order may request a hearing in the form of a written petition for hearing as provided in §§ DFI-Sec. 8.01, Wis. Adm. Code. If no hearing is requested, this Order will become final by operation of law 30 days the Order was issued.

You are advised that any willful violation of an Order issued by the Administrator of the Division of Securities under Ch. 551, Wis. Stats., is a criminal offense punishable under the provisions of § 551.508, Wis. Stats. (2007-08).

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

In the Matter of
DAVID C. WHITE,

Respondent.

PETITION FOR ORDER
(SUMMARY)

File S-209619 (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 § 551.56, Wis. Stats.¹, and as a result thereof alleges as follows:

1. David C. White (“White”) is an individual who at all relevant times after August 31, 2007, was an owner, officer and/or controlling person of the A&O companies, with a business address at the A&O companies and a last known home address of 3907 Chestnut Bend, Missouri City, Texas 77549.
2. The A&O companies are collectively the following foreign business entities, founded by Allmendinger and Oncale in 2004, and of which Wahab acquired an ownership interest in approximately November 2006 and White in September 2007: A&O Life Fund, LP; A&O Bonded Life Assets, LLC; A&O Bonded Life Assets Management, LLC; A&O Bonded Life Settlements, LLC; A&O Bonded Life Settlements Management, LLC; A&O Life Fund, LLC; A&O Life Fund Management, LLC; Life Fund 5.1, LLC; Life Fund 5.1 Management, LLC; Life Fund 5.2, LLC; and Life Fund 5.2 Management, LLC. A&O Life Fund, LP is a foreign business entity with a last known business address of 2 Riverway, Houston, Texas, 77056, and the parent company and sole shareholder of the other A&O companies.
3. Christian M. Allmendinger (“Allmendinger”) is an individual who at all relevant times prior to August 31, 2007 was an owner, officer and/or controlling person of the A&O companies, with a business address at the A&O companies and a home address of 209 Glenwood Drive, Houston, Texas 77007.
4. Adley Husni Abdulwahab, also known as Adley Wahab (“Wahab”), is an individual born in July, 1975, who at all relevant times was an agent and at most relevant times an owner, officer and/or controlling person of the A&O companies, with a business address at the A&O companies, and a home address of 3007 E. Lake Falls Circle, Spring, Texas 77386.
5. Brent P. Oncale (“Oncale”) is an individual who at all relevant times was an owner, officer and/or controlling person of the A&O companies, with a business address at the A&O companies, and a home address of 9125 Chatsworth Drive, Houston, Texas 77024.

¹ Unless otherwise noted, the statutory references are to the Wisconsin Statutes (2005-06), which were in effect at the time of the violations alleged herein and apply pursuant to § 551.703, Wis. Stats. (2007-08).

6. During 2007, agents of Allmendinger, Oncale, Wahab and White offered and sold investment contract securities of the A&O companies to at least eight persons in Wisconsin.

7. Pursuant to the offering materials the investors in Wisconsin received, "... The principal objective of the Company is to use the Company's assets to acquire a portfolio of life insurance policies in the life settlement after-market. In general, the Company will purchase life insurance policies in the life settlement after-market on numerous insured individuals of sixty-five (65) years of age or older ("Seniors") who have a life expectancy between two (2) to ten (10) years. The Manager will also attempt to control risk through the diversification of investments. ... The Company was formed to invest in and manage a diversified portfolio of life settlement policies in order to combine in a single investment vehicle the returns potentially offered by life settlement investment with the statistical mitigation of maturity risk that a managed pool of multiple and diversified life settlement policies can offer..."

8. The A&O companies' securities have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.

9. On February 15, 2011, White entered into a plea agreement with the U.S. Attorney's office in the Eastern District of Virginia based on a Statement of Facts attached hereto as Exhibit 1. A copy of the Plea Agreement is attached hereto as Exhibit 2.

10. White's actions as described in Exhibit 1 and for which he entered a guilty plea in Exhibit 2 violated § 551.41(1), Wis. Stats., by employing a device, scheme or artifice to defraud in connection with the offer and sale of securities to persons in Wisconsin.

11. White's actions as described in Exhibit 1 and for which he entered a guilty plea in Exhibit 2 violated § 551.41(2), Wis. Stats., by omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, in connection with the offer and sale of securities to persons in Wisconsin.

12. White's actions as described in Exhibit 1 and for which he entered a guilty plea in Exhibit 2 violated § 551.41(3), Wis. Stats., by engaging in an act, practice or course of business that operates or would operate as a fraud upon another person in connection with the offer and sale of securities to persons in Wisconsin.

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

Dated this 7th day of July, 2011.



Mark E. Dorman
Examiner



Leslie Van Buskirk
Attorney Supervisor

supervised release terms are in addition to any prison term the defendant may receive, and that a violation of a term of supervised release could result in the defendant being returned to prison for the full term of supervised release.

2. Factual Basis for the Plea

The defendant will plead guilty because the defendant is in fact guilty of the charged offense. The defendant admits the facts set forth in the statement of facts filed with this plea agreement and agrees that those facts establish guilt of the offense charged beyond a reasonable doubt. The statement of facts, which is hereby incorporated into this plea agreement, constitutes a stipulation of facts for purposes of Section 1B1.2(a) of the Sentencing Guidelines.

3. Assistance and Advice of Counsel

The defendant is satisfied that the defendant's attorney has rendered effective assistance. The defendant understands that by entering into this agreement, defendant surrenders certain rights as provided in this agreement. The defendant understands that the rights of criminal defendants include the following:

- a. the right to plead not guilty and to persist in that plea;
- b. the right to a jury trial;
- c. the right to be represented by counsel – and if necessary have the court appoint counsel – at trial and at every other stage of the proceedings; and
- d. the right at trial to confront and cross-examine adverse witnesses, to be protected from compelled self-incrimination, to testify and present evidence, and to compel the attendance of witnesses.

4. Role of the Court and the Probation Office

The defendant understands that the Court has jurisdiction and authority to impose any sentence within the statutory maximum described above but that the Court will determine the defendant's actual sentence in accordance with Title 18, United States Code, Section 3553(a). The defendant understands that the Court has not yet determined a sentence and that any estimate of the advisory sentencing range under the U.S. Sentencing Commission's Sentencing Guidelines Manual the defendant may have received from the defendant's counsel, the United States, or the Probation Office, is a prediction, not a promise, and is not binding on the United States, the Probation Office, or the Court. Additionally, pursuant to the Supreme Court's decision in *United States v. Booker*, 543 U.S. 220 (2005), the Court, after considering the factors set forth in Title 18, United States Code, Section 3553(a), may impose a sentence above or below the advisory sentencing range, subject only to review by higher courts for reasonableness. The United States makes no promise or representation concerning what sentence the defendant will receive, and the defendant cannot withdraw a guilty plea based upon the actual sentence. Further, in accordance with Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure, the United States agrees not to oppose the defendant's request – which is not binding on the Court – that the following provisions of the Sentencing Guidelines apply:

- a. the applicable guideline section is U.S.S.G. § 2B1.1;
- b. pursuant to U.S.S.G. § 2B1.1(a)(2), the base offense level is 6;
- c. pursuant to U.S.S.G. § 2B1.1(b)(1), a 20-level enhancement is applicable because the offense involved a loss greater than \$7,000,000, but less than \$20,000,000;

- d. pursuant to U.S.S.G. § 2B1.1(b)(9)(C)), a 2-level enhancement is applicable because the offense involved sophisticated means;
- e. pursuant to U.S.S.G. § 2B1.1(b)(2)(B), a 4-level enhancement is applicable because the offense involved more than 50, but less than 250, victims; and,
- f. pursuant to U.S.S.G. § 3C1.1, a 2-level enhancement is applicable because the defendant willfully attempted to obstruct and impede the administration of justice with respect to the investigation.

The United States and the defendant agree that the defendant has assisted the government in the investigation and prosecution of the defendant's own misconduct by timely notifying authorities of the defendant's intention to enter a plea of guilty, thereby permitting the government to avoid preparing for trial and permitting the government and the Court to allocate their resources efficiently. If the defendant qualifies for a two-level decrease in offense level pursuant to U.S.S.G. § 3E1.1(a) and the offense level prior to the operation of that section is a level 16 or greater, the government agrees to file, pursuant to U.S.S.G. § 3E1.1(b), a motion prior to, or at the time of, sentencing for an additional one-level decrease in the defendant's offense level.

5. Waiver of Venue Claims, Appeal, FOIA and Privacy Act Rights

The defendant understands that he is waiving any claims that venue is improper in the Eastern District of Virginia for the offenses to which he is entering this guilty plea. The defendant also understands that Title 18, United States Code, Section 3742 affords a defendant the right to appeal the sentence imposed. Nonetheless, the defendant knowingly waives the right to appeal the conviction and any sentence within the statutory maximum described above (or the

manner in which that sentence was determined) on the grounds set forth in Title 18, United States Code, Section 3742 or on any ground whatsoever, in exchange for the concessions made by the United States in this plea agreement. This agreement does not affect the rights or obligations of the United States as set forth in Title 18, United States Code, Section 3742(b). The defendant also hereby waives all rights, whether asserted directly or by a representative, to request or receive from any department or agency of the United States any records pertaining to the investigation or prosecution of this case, including without limitation any records that may be sought under the Freedom of Information Act, Title 5, United States Code, Section 552, or the Privacy Act, Title 5, United States Code, Section 552a.

6. Special Assessment

Before sentencing in this case, the defendant agrees to pay a mandatory special assessment of one hundred dollars (\$100.00) per count of conviction.

7. Payment of Monetary Penalties

The defendant understands and agrees that, pursuant to Title 18, United States Code, Section 3613, whatever monetary penalties are imposed by the Court will be due and payable immediately and subject to immediate enforcement by the United States as provided for in Section 3613. Furthermore, the defendant agrees to provide all of his financial information to the United States and the Probation Office and, if requested, to participate in a pre-sentencing debtor's examination. If the Court imposes a schedule of payments, the defendant understands that the schedule of payments is merely a minimum schedule of payments and not the only method, nor a limitation on the methods, available to the United States to enforce the judgment. If the defendant is incarcerated, the defendant agrees to participate in the Bureau of Prisons'

Inmate Financial Responsibility Program, regardless of whether the Court specifically directs participation or imposes a schedule of payments.

8. Restitution

Pursuant to 18 U.S.C. § 3663A(a)(3), the defendant agrees to the entry of a Restitution Order for the full amount of the victims' losses which includes all victims of the defendant's conduct as described in the Criminal Information and Statement of Facts filed in this matter. The defendant also agrees that restitution is due to victims of an offense listed in Title 18, United States Code, Section 3663A(c)(1)(A) that is not the offense of conviction but nonetheless gave rise to this plea agreement.

The parties acknowledge that determination of the identities, addresses and loss amounts for all victims in this matter is a complicated and time consuming process. To that end, defendant agrees, pursuant to 18 U.S.C. § 3664(d)(5), that the court may defer the imposition of restitution until after the sentencing; however, defendant specifically waives the 90 day provision found at 18 U.S.C. § 3664(d)(5) and consents to the entry of any orders pertaining to restitution after sentencing without limitation.

9. Immunity from Further Prosecution in this District

The United States will not further criminally prosecute the defendant in the Eastern District of Virginia for the specific conduct described in the information or statement of facts.

10. Defendant's Cooperation

The defendant agrees to cooperate fully and truthfully with the United States, and provide all information known to the defendant regarding any criminal activity as requested by the government. In that regard:

- a. The defendant agrees to testify truthfully and completely at any grand juries, trials or other proceedings.
- b. The defendant agrees to be reasonably available for debriefing and pre-trial conferences as the United States may require.
- c. The defendant agrees to provide all documents, records, writings, or materials of any kind in the defendant's possession or under the defendant's care, custody, or control relating directly or indirectly to all areas of inquiry and investigation.
- d. The defendant agrees that, at the request of the United States, the defendant will voluntarily submit to polygraph examinations, and that the United States will choose the polygraph examiner and specify the procedures for the examinations.
- e. The defendant agrees that the Statement of Facts is limited to information to support the plea. The defendant will provide more detailed facts relating to this case during ensuing debriefings.
- f. The defendant is hereby on notice that the defendant may not violate any federal, state, or local criminal law while cooperating with the government, and that the government will, in its discretion, consider any such violation in evaluating whether to file a motion for a downward departure or reduction of sentence.
- g. Nothing in this agreement places any obligation on the government to seek the defendant's cooperation or assistance.

11. Use of Information Provided by the Defendant Under This Agreement

The United States will not use any truthful information provided pursuant to this agreement in any criminal prosecution against the defendant in the Eastern District of Virginia, except in any prosecution for a crime of violence or conspiracy to commit, or aiding and abetting, a crime of violence (as defined in Title 18, United States Code, Section 16). Pursuant to U.S.S.G. § 1B1.8, no truthful information that the defendant provides under this agreement will be used in determining the applicable guideline range, except as provided in § 1B1.8(b). Nothing in this plea agreement, however, restricts the Court's or Probation Officer's access to information and records in the possession of the United States. Furthermore, nothing in this agreement prevents the government in any way from prosecuting the defendant should the defendant knowingly provide false, untruthful, or perjurious information or testimony, or from using information provided by the defendant in furtherance of any forfeiture action, whether criminal or civil, administrative or judicial. The United States will bring this plea agreement and the full extent of the defendant's cooperation to the attention of other prosecuting offices if requested.

12. Prosecution in Other Jurisdictions

The United States Attorney's Office for the Eastern District of Virginia will not contact any other state or federal prosecuting jurisdiction and voluntarily turn over truthful information that the defendant provides under this agreement to aid a prosecution of the defendant in that jurisdiction. Should any other prosecuting jurisdiction attempt to use truthful information the defendant provides pursuant to this agreement against the defendant, the United States Attorney's Office for Eastern District of Virginia agrees, upon request, to contact that jurisdiction and ask that jurisdiction to abide by the immunity provisions of this plea agreement. The parties

understand that the prosecuting jurisdiction retains the discretion over whether to use such information.

13. Defendant Must Provide Full, Complete and Truthful Cooperation

This plea agreement is not conditioned upon charges being brought against any other individual. This plea agreement is not conditioned upon any outcome in any pending investigation. This plea agreement is not conditioned upon any result in any future prosecution which may occur because of the defendant's cooperation. This plea agreement is not conditioned upon any result in any future grand jury presentation or trial involving charges resulting from this investigation. This plea agreement is conditioned upon the defendant providing full, complete and truthful cooperation.

14. Motion for a Downward Departure

The parties agree that the United States reserves the right to seek any departure from the applicable sentencing guidelines, pursuant to Section 5K1.1 of the Sentencing Guidelines and Policy Statements, or any reduction of sentence pursuant to Rule 35(b) of the Federal Rules of Criminal Procedure, if, in its sole discretion, the United States determines that such a departure or reduction of sentence is appropriate.

15. The Defendant's Obligations Regarding Assets Subject to Forfeiture

The defendant agrees to identify all assets over which the defendant exercises or exercised control, directly or indirectly, within the past two years, or in which the defendant has or had during that time any financial interest. The defendant agrees to take all steps as requested by the United States to obtain from any other parties by any lawful means any records of assets owned at any time by the defendant. The defendant agrees to undergo any polygraph

examination the United States may choose to administer concerning such assets and to provide and/or consent to the release of the defendant's tax returns for the previous five years. The defendant agrees not to dissipate, sell, or otherwise transfer any assets under his control that are subject to forfeiture or restitution.

16. Forfeiture Agreement

The defendant agrees to forfeit all interests in any mail fraud related, asset that the defendant owns or over which the defendant exercises control, directly or indirectly, as well as any property that is traceable to, derived from, fungible with, or a substitute for property that constitutes the proceeds of his offense. Defendant acknowledges that the Court may impose a money judgment for the amount of proceeds derived from the offense if traceable proceeds from the offense are not available. The defendant further agrees to waive all interest in the asset(s) in any administrative or judicial forfeiture proceeding, whether criminal or civil, state or federal. The defendant agrees to consent to the entry of orders of forfeiture for such property and waives the requirements of Federal Rules of Criminal Procedure 32.2 and 43(a) regarding notice of the forfeiture in the charging instrument, announcement of the forfeiture at sentencing, and incorporation of the forfeiture in the judgment. The defendant understands that the forfeiture of assets is part of the sentence that may be imposed in this case.

17. Waiver of Further Review of Forfeiture

The defendant further agrees to waive all constitutional and statutory challenges in any manner (including direct appeal, habeas corpus, or any other means) to any forfeiture carried out in accordance with this Plea Agreement on any grounds, including that the forfeiture constitutes an excessive fine or punishment. The defendant also waives any failure by the Court to advise

the defendant of any applicable forfeiture at the time the guilty plea is accepted as required by Rule 11(b)(1)(J). The defendant agrees to take all steps as requested by the United States to pass clear title to forfeitable assets to the United States, and to testify truthfully in any judicial forfeiture proceeding. The defendant understands and agrees that all property covered by this agreement is subject to forfeiture as proceeds of illegal conduct, property involved in illegal conduct giving rise to forfeiture, or substitute assets for property otherwise subject to forfeiture.

18. Breach of the Plea Agreement and Remedies

This agreement is effective when signed by the defendant, the defendant's attorney, and an attorney for the United States. The defendant agrees to entry of this plea agreement at the date and time scheduled with the Court by the United States (in consultation with the defendant's attorney). If the defendant withdraws from this agreement, or commits or attempts to commit any additional federal, state or local crimes, or intentionally gives materially false, incomplete, or misleading testimony or information, or otherwise violates any provision of this agreement, then:

- a. The United States will be released from its obligations under this agreement, including any obligation to seek a downward departure or a reduction in sentence. The defendant, however, may not withdraw the guilty plea entered pursuant to this agreement;
- b. The defendant will be subject to prosecution for any federal criminal violation, including, but not limited to, perjury and obstruction of justice, that is not time-barred by the applicable statute of limitations on the date this agreement is signed. Notwithstanding the subsequent expiration of

the statute of limitations, in any such prosecution, the defendant agrees to waive any statute-of-limitations defense; and

- c. Any prosecution, including the prosecution that is the subject of this agreement, may be premised upon any information provided, or statements made, by the defendant, and all such information, statements, and leads derived therefrom may be used against the defendant. The defendant waives any right to claim that statements made before or after the date of this agreement, including the statement of facts accompanying this agreement or adopted by the defendant and any other statements made pursuant to this or any other agreement with the United States, should be excluded or suppressed under Fed. R. Evid. 410, Fed. R. Crim. P. 11(f), the Sentencing Guidelines or any other provision of the Constitution or federal law.

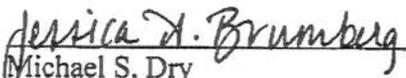
Any alleged breach of this agreement by either party shall be determined by the Court in an appropriate proceeding at which the defendant's disclosures and documentary evidence shall be admissible and at which the moving party shall be required to establish a breach of the plea agreement by a preponderance of the evidence. The proceeding established by this paragraph does not apply, however, to the decision of the United States whether to file a motion based on "substantial assistance" as that phrase is used in Rule 35(b) of the Federal Rules of Criminal Procedure and Section 5K1.1 of the Sentencing Guidelines and Policy Statements. The defendant agrees that the decision whether to file such a motion rests in the sole discretion of the United States.

19. Nature of the Agreement and Modifications

This written agreement constitutes the complete plea agreement between the United States, the defendant, and the defendant's counsel. The defendant and his attorney acknowledge that no threats, promises, or representations have been made, nor agreements reached, other than those set forth in writing in this plea agreement, to cause the defendant to plead guilty. Any modification of this plea agreement shall be valid only as set forth in writing in a supplemental or revised plea agreement signed by all parties.

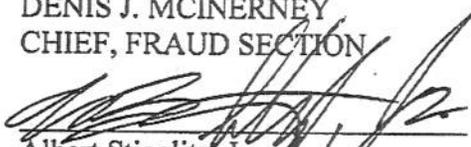
NEIL H. MACBRIDE
UNITED STATES ATTORNEY

By:


Michael S. Dry
Jessica Aber Brumberg
Assistant United States Attorneys
Eastern District of Virginia

DENIS J. MCINERNEY
CHIEF, FRAUD SECTION

By:


Albert Stieglitz, Jr.
Trial Attorney, Fraud Section
Department of Justice

Defendant's Signature: I hereby agree that I have consulted with my attorney and fully understand all rights with respect to the pending criminal information. Further, I fully understand all rights with respect to Title 18, United States Code, Section 3553 and the provisions of the Sentencing Guidelines Manual that may apply in my case. I have read this plea agreement and carefully reviewed every part of it with my attorney. I understand this agreement and voluntarily agree to it.

Date: 2/15/11


David White

Defense Counsel Signature: I am counsel for the defendant in this case. I have fully explained to the defendant the defendant's rights with respect to the pending information. Further, I have reviewed Title 18, United States Code, Section 3553 and the Sentencing Guidelines Manual, and I have fully explained to the defendant the provisions that may apply in this case. I have carefully reviewed every part of this plea agreement with the defendant. To my knowledge, the defendant's decision to enter into this agreement is an informed and voluntary one.

Date: 2/15/11



William Dinkin, Esq.
Claire Cardwell, Esq.
Counsel for the Defendant

U. S. DEPARTMENT OF JUSTICE
Statement of Special Assessment Account

This statement reflects your special assessment only. There may be other penalties imposed at sentencing.

ACCOUNT INFORMATION	
CRIM. ACTION NO.:	3:11cr
DEFENDANT'S NAME:	David C. White
PAY THIS AMOUNT:	\$100.00

INSTRUCTIONS:

1. **MAKE CHECK OR MONEY ORDER PAYABLE TO:**
CLERK, U.S. DISTRICT COURT
2. **PAYMENT MUST REACH THE CLERK'S OFFICE BEFORE YOUR SENTENCING DATE**
3. **PAYMENT SHOULD BE SENT TO:**

	In person (9 AM to 4 PM)	By mail:
Richmond cases:	Clerk, U.S. District Court 701 East Broad Street, Suite 3000 Richmond, VA 23219	

4. **INCLUDE DEFENDANT'S NAME ON CHECK OR MONEY ORDER**
5. **ENCLOSE THIS COUPON TO INSURE PROPER and PROMPT APPLICATION OF PAYMENT**

2. Christian M. Allmendinger was an individual residing in Houston, Texas, who was at one time a part-owner of A&O.

3. Adley H. Abdulwahab was an individual residing in Houston, Texas who owned and operated a company named Houston Investment Center (“HIC”) that marketed A&O’s life settlement investment products to investors. In addition, Abdulwahab became a part-owner of A&O.

4. Brent P. Oncale was an individual residing in Houston, Texas who was a part-owner of A&O.

5. Russell E. Mackert was an attorney residing in Houston, Texas who performed legal services for A&O.

6. Other conspirators, not named herein, included other executives, employees, and/or independent sales agents for A&O.

Background

7. A&O, which was founded in or about November 2004 by Christian Allmendinger and Brent Oncale, obtained life settlements from a wholesale life settlement company and marketed and sold whole and fractionalized interests in those life settlements to investors.

8. A life settlement is an investment in which a person (“the insured”) sells his life insurance policy for a cash payment, which is a percentage of the life insurance policy’s face value or death benefit. The “face value” or “death benefit” of the policy is the amount of money the insurance company has promised to pay when the insured dies.

9. Once the insured sells his life insurance policy, he no longer is responsible for paying the policy's premiums. The life settlement company thereafter assumes responsibility for arranging the payment of any premiums.

10. All premiums due prior to the death of the insured must be paid in full and on a timely basis to prevent additional cost or lapse of the policy. If an insurance policy lapses for any reason, such as failure to pay premiums, the policy's death benefit and any investment dependent on that benefit may be lost.

11. A policy is said to have "matured" when the insured dies and the insurance company is required to pay the death benefit to the designated parties ("the beneficiaries").

12. Life settlement companies often sell fractionalized interests in life insurance policies as investments. In such sales, investors are buying the right to receive a portion of the death benefit when the insured dies. The sale of fractional interests allows investors to invest smaller amounts of money.

13. Investors who purchase life settlements only realize a profit if the total amount invested in the policy, including the purchase price and any additional premium costs, is less than the amount of the death benefit. Typically, the longer an insured lives, the more expensive it is to maintain a life settlement.

14. The period of time that the insured is predicted to live is called his "life expectancy." For an investor in life settlements, the insured's life expectancy is used to determine, among other things: (i) how much money needs to be set aside to pay future premiums; (ii) when the investor can expect to receive a payout on his or her investment; and (iii) the amount of profit the investor can expect to receive.

15. One risk of investing in a life settlement is that the insured will live past his calculated life expectancy, and thereby reduce the expected return on the investment by requiring more premiums. This risk is often referred to as “maturity risk” or “longevity risk.”

16. Another risk of life settlement investments is the possibility that the underlying insurance policy will lapse due to a failure to pay premiums. If premiums are not paid, the insurance company has no obligation to pay the death benefit when the insured dies.

Overview of the Conspiracy

17. In or about September of 2007, WHITE joined an ongoing conspiracy to commit mail fraud, money laundering, and securities fraud.

Mail Fraud

18. A purpose of the mail fraud conspiracy was to mislead investors regarding A&O’s safekeeping and use of investor funds and the risks of A&O’s investment offerings in order to obtain investor funds so that the conspirators could profit personally.

19. Allmendinger, Abdulwahab, WHITE, and their co-conspirators made, and caused to be made, material misrepresentations and omissions designed to mislead investors regarding A&O, the risks of A&O’s investment offerings, and A&O’s safekeeping and use of investor funds.

20. A&O’s investors were led to believe that their money would be deposited into escrow accounts that would be utilized for the purchase of life settlements, the purchase of reinsurance bonds, and the payment of future premiums due for the underlying life insurance policies. In truth and fact, the escrow accounts were almost never utilized for any of these purposes and had no practical business purpose other than to reassure A&O’s investors about the safety and legitimacy of their investments. The escrow accounts were merely pass-throughs;

almost all A&O investor funds ultimately were commingled in A&O's bank accounts, over which Allmendinger, Abdulwahab, WHITE, and other co-conspirators had control.

21. A&O's investors were led to believe that a portion of their investment would be set aside and used to pay all future premiums due for the underlying insurance policies for the term of their investments either up-front, from an escrow account, or from a premium reserve account. In truth and fact, A&O did not usually pay premiums up-front and did not establish a premium reserve account to set aside a portion of investor funds to pay the necessary future premiums.

22. Through A&O's private offering memorandum ("POM") investors in A&O's Capital Appreciation Bonds were led to believe that 95% of investor funds received by A&O would be invested by A&O in purchasing and maintaining a portfolio of life settlements. In truth and fact, it was impossible for A&O to invest 95% of investor funds as described in the POM because A&O was paying sales agents commissions of approximately 10% for every sale. In addition, Allmendinger, Abdulwahab, WHITE, and their co-conspirators failed to inform A&O Capital Appreciation Bond investors that the majority of investor money was used for purposes wholly unrelated to purchasing and maintaining portfolios of life settlements.

23. Investors in A&O's Capital Appreciation Bonds were never informed that Abdulwahab, who was the fund manager for each of the A&O-related hedge funds issuing the Capital Appreciation Bonds, had been charged with and pleaded guilty to forgery of a commercial interest in Texas in 2004.

24. In addition to the above described material misrepresentations and omissions to investors during A&O's investment offerings, the conspirators' scheme to defraud also consisted of lulling investors after A&O had ceased selling its investment offerings to avoid detection of the scheme.

25. Investors were led to believe that the sale of A&O had resulted in Abdulwahab and Oncale no longer having ownership or control over A&O. In truth and fact, Abdulwahab and Oncale continued to own and operate A&O after the sham sales transaction.

26. In addition, the conspirators misled A&O's outside counsel and state regulators regarding A&O's investment offerings in order to continue taking in new investor monies and to avoid detection of the scheme.

27. The conspirators led Law Firm C and state regulators to believe that Abdulwahab and Oncale had no ownership or control in A&O after the "sale" of A&O to Blue Dymond and Physician's Trust. In truth and fact, Abdulwahab and Oncale continued to own and operate A&O after the sham sales transaction.

28. Based on material misrepresentations and omissions by WHITE and other conspirators, Law Firm C was led to believe that A&O would not offer its investment offerings through unlicensed sales agents. In truth and fact, A&O continued taking in millions of dollars, including investor funds generated by unlicensed sales agents, until in or about January 2008. As part of the scheme to defraud, A&O routinely used United States mail and private mail carriers to send marketing materials, investment documentation, private offering memoranda, correspondence with state regulators, and sales commission checks. A&O also routinely caused mailings through United States mail and private mail carriers, including investment policies and investor checks.

29. Many of these mailings came to or from the Eastern District of Virginia, including a package delivered via Federal Express on November 23, 2007, from sales agent T.B. in Richmond, Virginia, to A&O's office in Houston, Texas, containing a check, in the amount of \$115,000, from investors J.B. and B.B.

Money Laundering

30. As part of the scheme to defraud, the coconspirators routinely paid commissions to sales agents to incentivize them to sell more A&O life settlements to new investors. These commissions represented the proceeds of mail fraud to promote the carrying on of mail fraud.

31. Many of these commission payments went to sales agents in the Eastern District of Virginia, including a December 31, 2007, transfer of approximately \$43,969, via check drawn on A&O's Wells Fargo bank account No. #####2369, to sales agent T.B. in Richmond, Virginia, as a commission payment for the sale of an A&O Capital Appreciation Bond to an investor.

Securities Fraud

32. As part of the scheme to defraud, Allmendinger, Abdulwahab, WHITE, and their coconspirators willfully and knowingly sold Capital Appreciation Bonds, a security, by the use of the means and instruments of transportation and communication in interstate commerce and by the use of the mails, directly and indirectly: (a) employed a device, scheme, and artifice to defraud; (b) obtained money by means of untrue statements of material fact and omissions to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and, (c) engaged in transactions, practices, and courses of business which operated as a fraud and deceit upon investors.

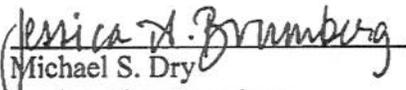
33. On December 7, 2007, A&O sales agent T.B. in Richmond, Virginia delivered a package via Federal Express containing copies of two checks – in the amounts of \$157,104 and \$89,314 – for the benefit of investor M.S. to A&O’s office in Houston, Texas.

34. From the time that WHITE joined the conspiracy in or about September of 2007 until A&O stopped accepting investor funds in or about January of 2008, A&O took in more than \$7 million but less than \$20 million in investor funds from more than 50 but fewer than 250 investors.

35. The defendant engaged in the conduct described above knowingly and willfully, and not because of accident, mistake, or other innocent reason.

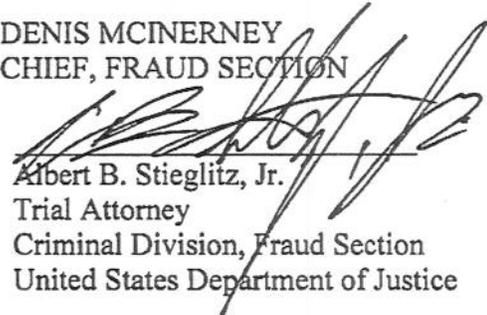
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By:


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DENIS MCINERNEY
CHIEF, FRAUD SECTION

By:


Albert B. Stieglitz, Jr.
Trial Attorney
Criminal Division, Fraud Section
United States Department of Justice

DECLARATION

By my signature appearing below, I affirm under penalty of perjury that I have read and agree with the contents of this statement of facts and the same is incorporated by reference into the plea agreement. Moreover, I admit that I participated in the underlying criminal conduct as stated. This is the _____ day of February, 2011.

2/17/11
Date



David C. White
Defendant

I am the attorney for the defendant and I have read and agree with the statement of facts.

2/15/11
Date



William Dinkin, Esq.
Claire Cardwell, Esq.
Counsel for Defendant David C. White