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MEDIA ALERT

Order issued against Life Partners, Inc. for violating Utah Securities Act
"Company agent claimed viatical investments didn't require securities license"
(For immediate release...)

SALT LAKE CITY, Utah – The Division of Securities announced today that an Order to Show Cause has been issued against Life Partners, Inc. and Life Partner Holdings, Inc. of Texas and Mark Bruce Sutherland, of Nevada, for telling Utah investors that viatical settlement interests didn't require a securities license and allowing sales by unlicensed agents which violated the *Utah Securities Act*. Viatical settlements are considered securities under the *Utah Securities Act*. In a viatical settlement, an investor buys the right to receive the life insurance benefit of another person.

The Order asks Life Partners, Inc., Life Partners Holdings, Inc., and Mark Bruce Sutherland to cease and desist from any further solicitation of investors or conduct violating the *Utah Securities Act* and seeks a total fine of \$750,000 payable to the Division of Securities.

According to the Order, Life Partners sponsored a booth at a mortgage seminar in October 2005. At that seminar, Sutherland solicited mortgage brokers to sell viatical settlements for Life Partners. He told attendees that viatical settlement interests were attractive investments. Sutherland explained that because they were not considered securities, mortgage brokers did not need a securities license to sell them. He said brokers could earn a commission for viatical settlements sold to outside referrals once they entered a distribution agreement with Life Partners.

A Salt Lake mortgage company signed up with Life Partners and began selling viatical settlements to Utah clients through its marketing company. A partner in the marketing company invested \$10,000 and four other investors also invested over \$50,000 in viatical settlements with Life Partners. The Division discovered the sales and informed the marketing company that Utah law defined viatical settlements as securities and that their salespeople needed to have securities licenses to continue the offers. The company terminated its agreement with Life Partners, informed its customers and several received refunds for their original investments.

Investors are urged to contact the Division of Securities to make sure anyone offering investments is licensed, by calling (801) 530.6600, toll free at 1.800.721.7233 or logging on to www.securities.utah.gov.

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