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NEWS RELEASE

For Immediate Release

January 23, 2013

TWO FINANCIAL PROFESSIONALS SETTLE SECURITIES CLAIMS
Securities Violators Agree to Disgorge Commissions

Boise, Idaho . . . The Department of Finance announced settlements in two different securities civil lawsuits involving Kip Hartman of Bonners Ferry, Idaho and Kyle Bennett of Ammon, Idaho. Both men are licensed insurance agents, but were not registered to offer or sell securities.

- **Kip Hartman** – In connection with his offer and sale of life settlement contracts (see below), Mr. Hartman agreed to a finding that he violated the securities salesman and securities registration provisions of Idaho securities laws. Hartman neither admitted nor denied the state's allegations of misrepresentations and omissions of important information to investors. Hartman agreed to disgorge his commission earnings from these transactions. Separately, the issuer of the securities (Retirement Value) had filed bankruptcy and a receiver had been appointed to determine the salvage value of the investment. Hartman was alleged to have sold \$440,000 in unregistered viatical investments to five Idaho investors. Monetary penalties of \$30,000 have been imposed and may be waived if Hartman pays the disgorgement as agreed. The case continues against Kenneth P. Petticolos, a resident of Hayden, who is alleged to have engaged in "selling away" since he did not obtain his employing broker-dealer firm's permission to sell the Retirement Value securities.
- **Kyle D. Bennett** - In connection with his activities relating to the offer and sale of more than \$600,000 in promissory notes, Bennett agreed to findings that he violated the securities sales agent registration and the securities registration provision of the Idaho Uniform Securities Act. Bennett neither admitted nor denied the state's allegations of misrepresentations and omissions of important information. The notes were issued or otherwise associated with a Utah company known as Horizon Auto Funding, LLC. These sales were intertwined with insurance business that Bennett conducted on behalf of Horizon Financial and Insurance Group of Utah. Several of the Horizon entities and their principal are presently in bankruptcy. The department's case continues against Bart T. Taylor of Ammon, Idaho.

The Department of Finance wants to remind investors that life settlements and viatical settlements can be risky investments. A life settlement allows you to invest in another person's life insurance policy at a price less than the death benefit of the policy, and investor returns are based solely on how long the insured might live. Although life settlements are often sold as a "sure thing", there are significant risks and important considerations for investors that are not always disclosed.

The Department also cautions investors about promissory notes, which are often a favored investment vehicle for Ponzi schemes. While promissory notes can be legitimate investments, those that are marketed broadly to individual investors often turn out to be scams. Before you consider investing in promissory notes, be sure you understand how they work and what risks they pose.

Department of Finance press releases, a copy of the complaint and other information are available on the Internet at <http://finance.idaho.gov> and may be obtained by contacting the Department at (208) 332-8000, or toll-free in Idaho at 1-888-346-3378.