

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO**

STATE OF IDAHO, Department of)	
Finance, Securities Bureau,)	Docket No. 2003-7-10
)	
Complainant,)	AGREEMENT AND ORDER
)	
vs.)	
)	
K. BARTH WILLIAMS,)	
and ASSURANCE FINANCIAL, INC.,)	
)	
)	
Respondents.)	
_____)	

The Director of the Department of Finance (“Department”) has conducted an inquiry into the securities activities of K. Barth Williams (“Williams”), and Assurance Financial, Inc. (“AFI”) (Respondents). Pursuant to said inquiry, it appears to the Director that violations of the Idaho Securities Act, Idaho Code §30-1401, *et seq.*, have occurred. The Director and Respondents have agreed to resolve this matter without a public hearing or other adjudication. Therefore, the Director deems it appropriate and in the public interest that this Agreement and Order be entered. Respondents consent to the entry of this Agreement and Order.

I. RESPONDENTS

1. Respondent Williams is an Idaho resident. During various periods of time between 1994 and June of 2001, Williams was licensed as a securities salesman with the Department. However, at all times pertinent to this Order, Williams was not registered with the Department to offer and sell securities in or from Idaho.

2. Respondent Assurance Financial, Inc. (AFI), is an Idaho corporation that was formed December 18, 2001. Respondent Williams is the president, secretary and treasurer of Assurance Financial, Inc.

II. BACKGROUND

3. Ultimate Ventures, Inc. (UVI), a Canadian company, purportedly engages in the business of purchasing beneficiary rights in life insurance policies. Ultimate Ventures has offered, sold and issued securities to Idaho residents and others in the form of preferred stock.
4. At all times pertinent to this Order, Cameron Kuipers (Kuipers) was the president and a director of UVI. Kuipers has never been registered with the Department to offer and sell securities in or from Idaho.
5. Beginning on a date uncertain, but at least since April of 2002, Respondents, in association with Kuipers and UVI, offered and sold, or contracted for the offer or sale, to Idaho residents and others, more than \$4.4 million in securities in the form of preferred stock in Ultimate Ventures. The consideration for the purchase of UVI preferred stock took the form of (i) cash payments by certain UVI preferred stock purchasers (“cash investors”) aggregating \$1.7 million, and (ii) contracts by certain other UVI stock purchasers (“policy exchange investors”) to exchange previously owned interests in life insurance policies valued at \$2.7 million in the aggregate.
6. In connection with the offer and sale of preferred stock in UVI, the Respondents, in association with Kuipers and UVI, made false representations regarding such investment, and also failed to disclose material information about UVI, Kuipers, and Williams.

III. FINDINGS OF VIOLATIONS

7. In conjunction with its investigation, the Department has developed evidence sufficient to find the following violations of the Idaho Securities Act and the Rules promulgated under the Idaho Securities Act.

FAILURE TO REGISTER SECURITIES

8. Respondents sold or offered for sale, directly or indirectly, or aided and abetted in the offer or sale of securities in the form of preferred stock in Ultimate Ventures, Inc. to Idaho residents. Such securities were not registered with the Department as required by Idaho Code § 30-1416.
9. Respondents have violated Idaho Code §30-1416.

FAILURE TO REGISTER AS BROKER DEALERS OR SALESMEN

10. At all times relevant hereto, the Respondents were not registered with the Department as broker-dealers or salesmen to offer for sale securities, as required by Idaho Code § 30-1406. Therefore, the Respondents have either transacted business in the state of Idaho as broker-dealers or salesmen without having been properly registered under the Act, or have acted as broker-dealers or issuers and employed salesmen who were not properly registered under the Act.
11. The Respondents have violated Idaho Code §30-1406.

VIOLATIONS OF THE ANTI-FRAUD PROVISIONS OF THE ACT

12. In connection with the offer, sale or purchase of a security, directly or indirectly, the Respondents omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

13. In connection with the offer, sale or purchase of a security, directly or indirectly, the Respondents made untrue statements of material fact.
14. The Respondents have violated Idaho Code §30-1403.

IV. REMEDIES

1. Respondents represent that the information they have provided to the Department relating to the facts and circumstances underlying this Order is accurate and complete.
2. Respondents neither admit nor deny the findings of violations contained in this Agreement and Order.
3. Respondents agree to be liable for restitution to Idaho residents who purchased UVI preferred stock for cash (i.e., the cash investors) in the amount of approximately \$1.7 million.
4. Respondents agree to be liable for restitution or rescission to Idaho residents who contracted to purchase UVI preferred stock in exchange for previously owned interests in life insurance policies (i.e., the policy exchange investors) valued at \$2.7 million.
5. The amount of Respondents' aggregate liability for restitution and rescission shall be reduced:
 - (i) by the amount of restitution, if any, collected by the Department from UVI and/or Kuipers or any affiliate thereof (whether by way of settlement or judgment) in connection with any enforcement action by the Department (including without limitation, Case No. CV OC 0309967D now pending in District Court for the Fourth Judicial District of the State of Idaho),

(ii) to the extent that cash investors waive their respective right to recovery from Respondents in exchange for such consideration as may hereafter be agreed upon by such investors and the Respondents; provided, however, that

a) such waiver shall not be effective unless Respondents have given Department thirty (30) days prior written notice of such waiver agreement and the cash investor has not withdrawn the waiver agreement prior to the end of the thirty day period, and

b) Respondents obtain written representation from the investor that the investor has been advised to consult with an independent legal or investment professional and has satisfied himself or herself that the consideration obtained from Respondents is adequate and suitable to the investor.

(iii) to the extent that policy exchange investors waive their respective right to recovery from Respondents in exchange for such consideration as may hereafter be agreed by such investors and the Respondents; provided, however, that

a) such waiver shall not be effective unless Respondents have given Department thirty (30) days prior written notice of such waiver agreement and the cash investor has not withdrawn the waiver agreement prior to the end of the thirty day period, and

b) Respondents obtain written representation from the investor that the investor has been advised to consult with an independent legal or investment professional and has satisfied himself or herself that

the consideration obtained from Respondents is adequate and suitable.

Respondents acknowledge that any agreements reached with investors will be done in accordance and in compliance with the Idaho Securities Act (the Act) when such transactions fall within the ambit of the Act.

6. This Agreement shall not impair or otherwise adversely affect Respondents' right to contribution from UVI, Kuipers and/or other persons or entities who may be jointly and severally liable for violations of the Idaho Securities Act as determined by a court of competent jurisdiction.
7. Respondents agree to cooperate with the Department or any other regulatory or law enforcement authorities in connection with any existing or other proceedings against UVI or Kuipers that arise from the activities underlying this Order. Respondents further agree to cooperate with the Department or any other regulatory or law enforcement authority in connection with any existing or future investigation or proceeding arising from the activities underlying this Order.
8. Respondents agree to pay an administrative penalty to the Department in the amount of \$25,000 within thirty days (30) of the date of this Agreement and Order. Such penalty shall be reduced by the amount of Respondents' payments of UVI stock dividends to cash investors or premium payments on behalf of policy exchange investors in order to prevent lapse of their policies for nonpayment of premium.
9. Respondents agree to comply with the provisions of the Idaho Securities Act, and any successor law, in all future securities transactions.

10. Respondents further agree that, should the Director find in the future that Respondents have committed any additional violations of the Idaho Securities Act, the Complainant may use all allegations contained in the Agreement and Order, and any other allegations concerning violations of the Idaho Securities Act by Respondents, in any subsequent proceeding.
11. The Department and Respondents acknowledge and agree that this Agreement and Order may be modified or superseded in the future if the Department and Respondents enter into a global agreement with UVI and Kuipers to settle all claims among them (including, without limitation, the Department's claims against UVI and Kuipers in Case No. CV OC 0309967D now pending in District Court for the Fourth Judicial District of the State of Idaho).

DONE AND DATED at Boise, Idaho, this 7th day of ~~May~~ June 2004.

ASSURANCE FINANCIAL, INC.

By: [Signature]
K. Barth Williams, President

[Signature]
K. BARTH WILLIAMS, individually
[Signature]
MARILYN T. CHASTAIN
Bureau Chief, Securities Bureau
Department of Finance, State of Idaho



IT IS SO ORDERED this 8th day of ~~May~~ JUNE 2004.

[Signature]
GAVIN M. GEE
Director
Department of Finance, State of Idaho

PROOF OF SERVICE

I HEREBY certify that I have this day served the foregoing Agreement and Order, Docket 2003-7-10, upon all parties of record in this proceeding, by mailing a copy thereof, properly addressed, with postage prepaid to:

RICHARD A. RILEY
HAWLEY TROXELL ENNIS & HAWLEY LLP
877 MAIN STREET STE 1000
PO BOX 1617
BOISE ID 83701-1617

DATED At Boise, Idaho, this 7th day of June, 2009.



JAMES A. BURNS