

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
)
NATIONAL VIATICAL INC.) ADMINISTRATIVE ORDER
MICHAEL SULLIVAN) NO. OV-2001-0038
JAMES TORCHIA)
)
RESPONDENTS)

ORDER TO VACATE

The Alabama Securities Commission ("Commission"), having the power to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act, upon due consideration of the subject matter hereof, has determined as follows:

RESPONDENTS

1. RESPONDENT NATIONAL VIATICAL INC. ("NVI"), a Georgia corporation; is represented to be a viatical contract settlement corporation, with a business address of 9940 Highway 92 Woodstock Georgia, 30188-4617.
2. RESPONDENT MICHAEL SULLIVAN ("SULLIVAN") is represented to be the Chief Financial Officer of RESPONDENT NVI, with a business address of 9940 Highway 92 Woodstock, Georgia 30188-4617.
3. RESPONDENT JAMES TORCHIA ("TORCHIA") is represented to be the Chief Executive Officer of RESPONDENT NVI, with a business address of 9940 Highway 92 Woodstock, Georgia 30188-4617.

STATEMENT OF FACTS

4. On June 18, 2001, the Commission received notification from the Alabama Insurance Department that an Alabama resident had contacted their office about a possible viatical investment through National Viatical Inc. (NVI), located in Woodstock Georgia.

5. On June 25, 2001, an on site interview was conducted with the Alabama resident. It was discovered that he was considering making an investment with NVI and wanted further information. The investor had gotten the telephone number for NVI, from an article in the Atlanta Journal newspaper and had by telephone, spoken to RESPONDENT SULLIVAN, the Chief Financial Officer of NVI. RESPONDENT SULLIVAN advised the investor that he was coming through Montgomery and would like to meet and talk with him about viaticals.

6. RESPONDENT SULLIVAN met with the investor in Montgomery, Alabama, discussed the program, and provided pamphlets on NVI. The Investor stated RESPONDENT SULLIVAN offered him an 11% to 16% return on an investment with NVI. The investor felt that this return sounded too high for this type of investment.

7. A Review of the Commission's registration files indicated that RESPONDENTS SULLIVAN and NVI are not registered with the State of Alabama Securities Commission as a securities agent or dealer.

8. On July 9, 2001 a Cease and Desist Order was issued to RESPONDENTS SULLIVAN and NVI, alleging violations of Sections 8-6-3(a) Code of Alabama 1975, for attempting to offer and/or a solicitation of an offer to buy securities.

9. Information received and confirmed by the Commission indicates that RESPONDENTS NVI, SULLIVAN, and TORCHIA are currently under investigation by the Tennessee Bureau of Investigation, the Tennessee Securities Division, the Mississippi Securities Commission, the Florida Department of Securities and the Georgia Securities Commission for violations of each state's particular securities laws.

10. A Cease and Desist Order has been issued by the Tennessee Securities Division to RESPONDENT SULLIVAN, which at the time of this writing is still outstanding. The Commission is also in receipt of information confirming that RESPONDENT SULLIVAN'S Insurance License has been revoked in the State of Mississippi for filing false insurance claims.

11. A Central Registration Depository (CRD) inquiry also confirmed that RESPONDENT TORCHIA has a Cease and Desist Order filed against him by Florida Securities for 262 counts of having offered and sold unregistered securities. This Order is still outstanding.

12. On July 18, 2001, a written response to the Alabama issued Cease and Desist Order was received from RESPONDENT SULLIVAN, denying that he had solicited securities in Alabama, and requested an informal hearing with the Commission.

13. On August 15, 2001, an informal hearing was held at the office of the Alabama Securities Commission with RESPONDENT TORCHIA.

14. As a result of the hearing, it was determined that the Viaticals being touted by RESPONDENT NVI are securities under the Alabama Securities Act and that registration is necessary to solicit or sell such securities in the State of Alabama.

15. Adherence to the following stipulations is predicate to registration.

1. Prior to registration, NVI will furnish to the Commission written verification that any and all civil, criminal, or administrative orders/discrepancies with any other regulatory agency has been resolved, and that the Company is in sound financial condition.
2. NVI will be properly registered as a Broker-Dealer in the State of Alabama.
3. NVI'S representatives will become properly registered as securities agents in the State of Alabama.
4. The Securities involved, to wit: Viatical Settlement Contracts, or any name variation thereof, will become properly registered in the State of Alabama.
5. Prior to registration, NVI will supply for review, copies of all disclosure and offering documents pertaining to Viatical Settlement Contracts.

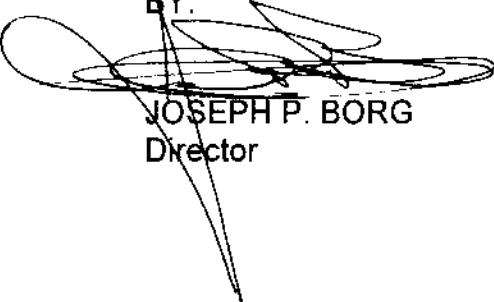
16. Based upon good cause shown, The Cease and Desist Order, No. CD-2001-0038, issued to RESPONDENTS NVI, MICHAEL SULLIVAN, and JAMES TORCHIA issued on July 9, 2001, is hereby vacated.

Entered at Montgomery, Alabama, this 3rd day of Jan, 2002



ALABAMA SECURITIES COMMISSION
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BY:

JOSEPH P. BORG
Director