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SECURITIES COMMISSIONER

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Texas State Securities Board

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MEMBER

SSB Docket No. 04-03

IN THE MATTER OF
THE AGENT REGISTRATION OF
LARRY JAMES KIEFER

§
§
§

Order No. IC04SUS-02

TO: Larry James Kiefer (CRD # 1230117)
American Investors Group, Inc.
32001 S. 603 Road
Grove, Oklahoma 74344

DISCIPLINARY ORDER AND UNDERTAKING

Be it remembered that Larry James Kiefer ("Respondent") appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this Order and Undertaking, and the Findings of Fact and Conclusions of Law contained herein.

FINDINGS OF FACT

1. Respondent has waived (a) Respondent's right to notice and a hearing in this matter; (b) Respondent's right to appear and present evidence in this matter; (c) Respondent's right to appeal this Order; and (d) all other procedural rights granted to Respondent by The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2004) ("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon Supp. 2004) ("Administrative Procedure Act").
2. On or about February 26, 1998, Respondent registered with the Securities Commissioner as an agent of American Investors Group, Inc., which is currently effective.

3. From on or about June 10, 2000, through on or about December 6, 2001, Respondent sold fractional interests in viatical settlement contracts to Texas residents ("Texas Clients").

These fractional interests in viatical settlement contracts were represented as having an estimated term of between thirty-six (36) and forty-eight (48) months and were represented as entitling investors to a fixed return payable upon maturity of between forty-two (42%) percent and sixty (60%) percent of the principal investment amount.

4. Respondent sold all of the aforementioned fractional interests in viatical settlement contracts on behalf of Beneficial Assistance. Respondent received compensation in the form of commissions that were valued at a percentage of the principal investment amount made by the Texas Clients.
5. The fractional interests in viatical settlement contracts sold by Respondent on behalf of Beneficial Assistance have not been registered by qualification, notification or coordination and no permit has been granted for their sale within the State of Texas.
6. The compliance rules and procedures of American Investors Group, Inc. required Respondent to receive approval from American Investors Group, Inc., prior to engaging in the sale of the fractional interests in viatical settlement contracts on behalf of Beneficial Assistance.

Respondent did not, however, seek approval from or otherwise notify American Investors Group, Inc., of Respondent's sale of fractional interests in viatical settlement contracts on behalf of Beneficial Assistance at any time prior to the sale of such fractional interests.

7. On or about November 4, 2000, and on or about November 15, 2001, Respondent represented to American Investors Group, Inc., that Respondent was not engaged in any business separate and apart from American Investors Group, Inc.
8. On or about February 20, 1998 and pursuant to Sections 101.2(c) and 133.33(a)(3) [formally 133.33(a)(4)] of the Rules and Regulations of the Texas State Securities Board ("Board Rules"), Respondent filed a Form U-4 with the Securities Commissioner in connection with his application to become registered with the Securities Commissioner as an agent of American Investors Group, Inc.
9. The Form U-4 requires the disclosure of any other business conducted by the agent, including any other business conducted by the agent, either as a proprietor, partner, officer, director, employee, trustee, agent, or otherwise.

10. Section 115.9(a)(6) of the Board Rules required Respondent to report, on the Form U-4, any change in information previously disclosed to the Securities Commissioner within thirty (30) days of such change.

Respondent did not, however, update his Form U-4 to reflect Respondent's association with Beneficial Assistance as an outside business.

UNDERTAKING

1. Respondent hereby undertakes and agrees to enter into agreements with each of the Texas Clients to reimburse the commissions earned by the Respondent in connection with the sale of fractional interests in viatical settlement contracts.
2. Respondent further undertakes and agrees to update his Form U-4 to accurately and completely disclose Respondent's employment history and outside business activity within thirty (30) days of the entry of this Order and Undertaking.

CONCLUSIONS OF LAW

1. The fractional interests in viatical settlement contracts sold by Respondent on behalf of Beneficial Assistance are "securities" as the term "securities" is defined in Section 4.A of the Texas Securities Act.
2. Respondent engaged in the "offer for sale" and "sale" of securities in Texas as the terms "offer for sale" and "sale" are defined in Section 4.E of the Texas Securities Act.
3. Respondent violated Section 7 of the Texas Securities Act by engaging in the offer for sale and sale of securities in Texas at a time that the securities were not registered with the Securities Commissioner.
4. Respondent's failure to seek or receive prior approval from American Investors Group, Inc., for the sale of fractional interests in viatical settlement contracts on behalf of Beneficial Assistance constitutes an inequitable practice in the sale of securities.
5. Respondent's representations to American Investors Group, Inc., that Respondent was not engaged in any business separate and apart from American Investors Group, Inc., when Respondent had engaged in the sale of fractional interests of viatical settlement contracts on behalf of Beneficial Assistance, constitutes fraudulent business practices and inequitable practices in the sale of securities.
6. Respondent's failure to update as outside business, his association with Beneficial Assistance, on his Form U-4, within thirty (30) days of the commencement of such association constitutes a violation of Section 115.9(a)(6) of the Board Rules.

7. Pursuant to Sections 14.A(3), 14.A(6) and 14.A(7) of the Texas Securities Act, the foregoing violations constitute bases for the issuance of an Order reprimanding and suspending an agent.

ORDER

1. It is therefore ORDERED that Larry James Kiefer is hereby REPRIMANDED.
2. It is further ORDERED that Larry James Kiefer hereby COMPLY with the terms of the Undertaking contained herein.
3. It is further ORDERED that Larry James Kiefer is hereby SUSPENDED from accepting or opening new client accounts in Texas for a period of thirty (30) days from the date that this Order is signed by the Securities Commissioner

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 30th day
of January, 2004.

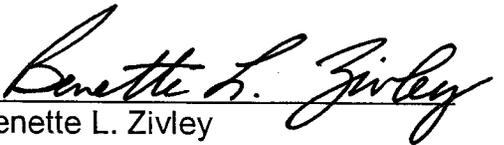
Denise Voigt Crawford

DENISE VOIGT CRAWFORD
Securities Commissioner

Respondent:


Larry James Kiefer

Approved as to Form:


Benette L. Zivley
Director
Inspections and Compliance Division

ACKNOWLEDGMENT

On the 27th day of January, 2004, Larry James Kiefer ("Respondent") personally appeared before me, executed the foregoing Order and Undertaking, and acknowledged that:

1. Respondent has read the foregoing Order and Undertaking;
2. Respondent has been fully advised of his rights under the Texas Securities Act and the Administrative Procedure Act;
3. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and Undertaking and the Findings of Fact and Conclusions of Law contained therein; and
4. Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived his rights as set forth therein.



[affix notary seal here]

Janet Plaisted
Notary Public in and for
the State of OKLAHOMA

My commission expires on: 4-30-07