



Illinois Department of Insurance

JB PRITZKER
Governor

Dana Popish Severinghaus
Director

March 26, 2021

Electronic Email Address: [REDACTED]

WILLIAM NICHOLSON
CAPITAL INVESTMENT GROUP, INC.
[REDACTED]

CERTIFIED MAIL
[REDACTED]

RE: REQUEST FOR LICENSE

Dear William B. Nicholson and Capital Investment Group, Inc:

This letter is in response to your request to obtain a license. The Illinois Department of Insurance ("Department") received your viatical settlement broker and business entity license applications on May 26, 2020. A copy of your validated applications are enclosed with this letter. Section 15 of the Viatical Settlements Act of 2009 (215 ILCS 159/15) provides that the Director may refuse to issue or renew or may suspend or revoke the license of any viatical settlement provider if the Director finds certain violations.

On May 26, 2020, the Department received your Viatical Settlement Broker Business Entity license application with you listed as the Designated Licensed Individual Broker/Provider, and your Viatical Settlement Broker license application. Question #2 on both of these applications asked, "Have you or any business in which you are or were an owner, partner, officer or director, or member or manager of a limited liability company ever been involved in an administrative proceeding regarding any professional or occupational license or registration?" Both applications were answered, "Yes."

On December 14, 1989, the South Carolina Department of Insurance, ordered a representative of yours' to cease and desist from offering any securities to residents in South Carolina due to not being registered as an agent. The employee was hired by your firm, he was grandfathered under old state rules. The State of South Carolina lifted your cease and desist order on January 23, 1990.

On March 13, 1998, the South Dakota Department of Labor and Regulation, Division of Insurance, revoked your Broker-Dealer Registration which requires at least one agent to be registered. The State of South Dakota always requires at least one agent to be registered in order to keep the registration of a Broker/Dealer effective. Therefore, the registration of your firm was previously revoked.

Springfield Office
320 W. Washington Street
Springfield, Illinois 62767
(217) 782-4515

Chicago Office
122 S. Michigan Ave., 19th Floor
Chicago, Illinois 60603
(312) 814-2420

On November 19, 2010 an agreement was made with FINRA (Case No. 2007009929801) for you to enter into an Acceptance, Waiver and Consent and to pay a fine of \$12,500. You failed to submit Reportable Order Events (ROES) to the Order Audit Trail System (OATS).

On December 12, 2011, the Missouri Department of Insurance issued a Voluntary Forfeiture. You were cited for failing to report other state actions. You were charged a \$500 fine.

On August 23, 2018, the Commonwealth of Massachusetts Securities Division fined you \$50,000 due to mismanaging an investors fund. An undisclosed amount of restitution was required to be paid to this Massachusetts investor because of mismanaged funds.

On January 3, 2019 the Wisconsin Office of the Commissioner of Insurance denied your Life Settlement license application due to other states' actions, FINRA action, lawsuits, and failure to make required disclosures on an application.

By the above action, you have used dishonest practices, shown to be untrustworthy, incompetent, financially irresponsible in other states, violated insurance laws and rules of another state's chief insurance regulatory official, and was subject to a final administrative action brought by another state's chief insurance regulatory official which are grounds for denial pursuant to 215 ILCS 159/15(a)(2) and (4) of the Viatical Settlements Act of 2009.

Your two (2) requests for a license are being denied based upon the information previously stated.

If you wish a refund of your application fees, return the copy of the validated applications with a letter asking for a refund to the Department to the attention of Tommie Collier, Licensing Supervisor, Illinois Department of Insurance, 320 West Washington Street, Springfield, Illinois 62767-0001.

You have the right to a formal hearing on this matter if you file a written request within 30 days of the date of mailing of this correspondence. Part 2402, Title 50 of the Illinois Administrative Code (50 Ill. Adm. Code 2402) governs hearings before the Department of Insurance. Your written hearing request should be sent to the attention of the Producer Regulatory Unit, Illinois Department of Insurance, 320 West Washington Street, Springfield, Illinois 62767-0001.

Be advised Section 408(5) of the Illinois Insurance Code (215 ILCS 5/408(5)) and Section 2402.270(d), Title 50 of the Illinois Administrative Code (50 Ill. Adm. Code 2402.270(d)) provide that the costs of a hearing may be assessed against the parties.

Sincerely,



Dana Popish Severinghaus
Director
Illinois Department of Insurance

Enclosure

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