

STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION

IN THE MATTER OF DETERMINING ) S-01-128-03TO01  
Whether there has been a violation of the )  
Securities Act of Washington by: ) SUMMARY ORDER TO CEASE AND  
) DESIST, NOTICE OF INTENT TO  
) SUSPEND OR REVOKE SECURITIES  
Mid-America Foundation; Robert ) SALESPERSON REGISTRATION, AND  
Dillie; Renald Bidwell; James Hansen; ) NOTICE OF INTENT TO IMPOSE FINES  
Peter Woodbridge; Gary )  
VanLandingham; Ryan Jensen; Phil  
Jensen;

Respondents

THE STATE OF WASHINGTON TO: Mid-America Foundation; Robert Dillie;  
Renald Bidwell; James Hansen; Peter  
Woodbridge; Gary VanLandingham; Ryan  
Jensen; Phil Jensen

**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the State of Washington has reason  
to believe that Respondents, Mid-America Foundation; Robert Dillie; Renald Bidwell; James  
Hansen; Peter Woodbridge; Gary VanLandingham; Ryan Jensen; and Phil Jensen have each  
violated the Securities Act of Washington and that their violations justify the entry of an order of  
the Securities Administrator under RCW 21.20.390 against each to cease and desist from such  
violations. The Securities Administrator finds that delay in ordering the Respondents to cease  
and desist from such violations would be hazardous to the investors and to the public and that a  
Summary Order to Cease and Desist should be entered immediately. The Securities  
Administrator further believes that these violations justify the entry of an order against  
Respondents James Hansen, Gary VanLandingham, Ryan Jensen, and Phil Jensen suspending or

SUMMARY ORDER TO CEASE AND DESIST,  
NOTICE OF INTENT TO SUSPEND OR REVOKE  
SECURITIES SALESPERSON LICENSE, AND  
NOTICE OF INTENT TO IMPOSE FINES

1 revoking their securities registrations and imposing fines pursuant to RCW 21.20.110. The  
2 Securities Administrator Finds as follows:

3  
4 **TENTATIVE FINDINGS OF FACT**

5 **PARTIES**

6 **I.**

7  
8 Mid-America Foundation, Inc. is a Delaware not-for-profit corporation with its principal  
9 place of business at 8630 East Via de Ventura Ste 100, Scottsdale, Arizona 85258.

10 **II.**

11 Robert R. Dillie is Executive Director of Mid-America Foundation, Inc.

12 **III.**

13 Renald Bidwell is an insurance agent who conducts business in Lacey, Washington.

14 **IV.**

15 James Hansen is an insurance agent conducting business in Tacoma, Washington. He has  
16 been registered in Washington as a salesperson for the broker-dealer Metropolitan Investment  
17 Securities, Inc. since June 2000.

18 **V.**

19 Peter Woodbridge is an insurance agent conducting business in Newcastle, Washington.  
20 In June 1995, Peter Woodbridge entered into a Consent and Stipulation with the United States  
21 Securities and Exchange Commission, in connection with his sales and those of his agents of  
22 certificates of deposit issued by an unlicensed bank in Grenada. Those sales took place in 1991  
23 and 1992. As part of that consent, he agreed to be permanently enjoined from future violations  
24 of the registration and antifraud provisions of the federal securities laws as well as to disgorge  
25

1 \$173,229 in profits. In January 2000, Peter Woodbridge entered into a consent order, SDO-07-  
2 2000, with the Washington Securities Division concerning sales, by him and his agents, of the  
3 Grenada certificates of deposit, and of four other investment products sold in 1996 and 1997.  
4 Those other products were a pooled investment that purported to pay a 28% return in a few  
5 months, partnership interests in a pay telephone concern, a promissory note from Woodbridge's  
6 company, and viatical settlement contracts. In SDO-07-2000, Woodbridge agreed to cease and  
7 desist from offering or selling unregistered securities in violation of RCW 21.20.140, to cease  
8 and desist from offering or selling securities in violation of the antifraud provision of the  
9 Securities Act of Washington, and to cease and desist from acting as an unregistered securities  
10 salesperson or broker-dealer in violation of RCW 21.20.040.  
11

12 VI.

13 Gary VanLandingham is an insurance agent conducting business in Tacoma, Washington.  
14 He has been registered in the state of Washington as a securities salesperson for the broker-  
15 dealer Washington Square Securities, Inc. since February 2002. He was registered in the state of  
16 Washington as securities salesperson for the broker Prime Capital Services, Inc. from May 2001  
17 to January 2002.  
18

19 VII.

20 Ryan Jensen is an insurance agent conducting business in Camas, Washington. Ryan  
21 Jensen has been registered in the state of Washington as a securities salesperson for the broker-  
22 dealer Equity Services, Inc. since February 1999.  
23  
24  
25

1 VIII.

2 Phil Jensen is an insurance agent conducting business in Camas, Washington. Phil  
3 Jensen has been registered in the state of Washington as a securities salesperson for the broker-  
4 dealer Equity Services, Inc. since April 2000.

5  
6 **NATURE OF THE OFFERING**

7 IX.

8 Beginning in 1997 and continuing through October 2001, Mid-America Foundation sold  
9 more than \$50 million of investments in charitable gift annuities to investors, most of whom  
10 were elderly, throughout the United States. These sales were made by commissioned sales  
11 agents, most of whom were insurance salespersons. Mid-America Foundation solicited  
12 insurance agents to sell Mid-America Foundation investments. It did so by placing  
13 advertisements in publications such as Life Insurance Selling and by sending out cards to  
14 insurance agents.  
15

16 At least six Washington insurance agents signed up as Mid-America Foundation  
17 representatives. Collectively, these six insurance agents, respondents Renald Bidwell, James  
18 Hansen, Phil Jensen, Ryan Jensen, Gary VanLandingham, and Peter Woodbridge, sold more than  
19 \$2.3 million in Mid-America Foundation charitable gift annuity investments to at least 16  
20 investors, most of whom were Washington residents. Respondent Woodbridge, alone, accounted  
21 for almost \$1.5 million in sales. Respondents Renald Bidwell, James Hansen, Phil Jensen, Ryan  
22 Jensen, Gary VanLandingham, and Peter Woodbridge, each received commissions of up to 8%  
23 on the sales of Mid-America Foundation investments each made. Respondent Bidwell made  
24 three sales, totaling \$299,064, from March 1999 through September 1999. Respondent Hansen  
25

1 made two sales totaling \$267,715.62 from March 1998 through June 1998. Respondents Phil  
2 Jensen and Ryan Jensen together made at least three sales totaling \$248,961 from June 2009  
3 through September 2000. Respondent VanLandingham made one sale of \$34,868.26 in October  
4 2000. Respondent Peter Woodbridge made 14 sales totaling \$1,488,640.47 from July 1998  
5 through May 2000.

6  
7 Each investor, by delivering cash, securities, or title to real property, or by liquidating  
8 existing insurance policies, was supposed to gain a guaranteed rate of return during the investor's  
9 lifetime. The rate of return varied based on the investor's life expectancy at the time of purchase.  
10 The lower the investor's life expectancy, the higher the rate of return. At the investor's death, the  
11 remaining property was supposed to be paid to a charity selected by the investor.

12 Most of the Washington investors were retirees. Most were in their 70s or 80s. At least  
13 seven of the Washington investors were in their 80s at the time they purchased investments from  
14 Mid-America Foundation. Some were in poor health. Most had limited experience in  
15 investments other than insurance or real estate. For several, the investments with Mid-America  
16 Foundation represented a substantial portion of their net worth.

## 17 **MISREPRESENTATIONS AND OMISSIONS**

### 18 **X.**

19  
20 Potential investors were told that the Mid-America Foundation charitable gift annuities  
21 were safe investments that would provide steady income as well as tax benefits. Respondents  
22 Renald Bidwell, James Hansen, Phil Jensen, Ryan Jensen, Gary VanLandingham, and Peter  
23 Woodbridge, told investors that the investors' funds would be invested by qualified professionals  
24 in safe financial instruments. They provided the investors with written materials from Mid-  
25

1 America Foundation, which stated that investments with Mid-America Foundation were a good  
2 way to preserve family assets, receive tax benefits, and to benefit a favorite charity.

3 In fact, the investor funds Mid-America Foundation received from its sales of annuities  
4 were not segregated from the operating funds of Mid-America Foundation. Mid-America  
5 Foundation used the investors' funds for current expenditures and to maintain a lavish lifestyle  
6 for respondent Robert Dillie rather than for conservative investments to fund annuity payments  
7 to investors and to preserve principal for the charitable remaindermen selected by the investors.  
8

9 Respondent Dillie, on behalf of respondent Mid-America Foundation, distributed a  
10 financial statement to Mid-America Foundation agents and others in early October 2001. The  
11 financial statement said that as of October 1, 2001, Mid-America Foundation had a net worth of  
12 almost \$20 million. However, shortly after issuing this financial statement, respondent Dillie  
13 caused a letter to be mailed to the investors stating that Mid-America Foundation had disbanded  
14 and was unable to make further annuity payments to investors because its assets were inadequate  
15 to do so.

16 Washington investors were not advised that Mid-America had not obtained a certificate  
17 of exemption from the Washington Insurance Commissioner as required under RCW 48.38.010.  
18 In order to obtain such a certificate, Mid-America Foundation would have to meet requirements  
19 for minimum unrestricted net assets, to have filed annual financial statements with the Insurance  
20 Commissioner, to have a qualified actuary evaluate its annuity reserves, and to have met other  
21 requirements designed to protect annuitants.  
22

## 23 XI.

24 Mid-America Foundation is not currently registered to sell its securities in the state of  
25 Washington and has not previously been so registered.

1 XII

2 Neither respondents Renald Bidwell nor respondent Peter Woodbridge is currently  
3 registered as a securities salesperson or broker-dealer in the state of Washington and neither has  
4 previously been so registered. Respondent Gary VanLandingham, although he is now registered  
5 as a securities salesperson, was not registered as a securities salesperson or broker-dealer in  
6 Washington at the time he sold a Mid-America Foundation charitable gift annuity to a  
7 Washington resident.  
8

9 XIII.

10 The Securities Administrator finds that the continued offering of charitable gift annuities  
11 in the manner described in Tentative Findings of Fact IX and X, presents a threat to the investing  
12 public.

13 Based upon the Tentative Findings of Fact, the following Conclusions of Law are made:

14 CONCLUSIONS OF LAW

15 I.

16 The offer or sale of charitable gift annuities described above constitutes the offer or sale  
17 of a security as defined in RCW 21.20.005(10) and (12).  
18

19 II.

20 The offer or sale of said securities is in violation of RCW 21.20.140 because no  
21 registration for such offer or sale is on file with the Securities Administrator.

22 III.

23 Renald Bidwell, James Hansen, Peter Woodbridge, and Gary VanLandingham, have each  
24 violated RCW 21.20.040 by offering or selling said securities while not registered as a securities  
25 salesperson or broker-dealer in the state of Washington.

1 IV.

2 The offer or sale of said securities was made in violation of RCW 21.20.010 because  
3 investors were misled about the safety of the securities and about other material facts relating to  
4 the securities.

5 V.

6 The Securities Administrator finds that an emergency exists, that the continued violations  
7 of RCW 21.20.010, RCW 21.20.040, and RCW 21.20.140, constitutes a threat to the investing  
8 public, and that summary orders to cease and desist from those violations is in the public interest  
9 and necessary for the protection of the investing public.  
10

11 **SUMMARY ORDER**

12 Based on the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY  
13 ORDERED that Mid-America Foundation; Robert Dillie; Renald Bidwell; James Hansen; Peter  
14 Woodbridge; Gary Vanlandingham; Ryan Jensen; Phil Jensen; their agents and employees each  
15 cease and desist from offering or selling securities in any manner in violation of RCW 21.20.140,  
16 the section of the Securities Act of Washington requiring registration.

17 It is further SUMMARILY ORDERED that respondents, Mid-America Foundation;  
18 Robert Dillie; Renald Bidwell; James Hansen; Peter Woodbridge; Gary Vanlandingham; Ryan  
19 Jensen; Phil Jensen, their agents, and employees each cease and desist from violation of RCW  
20 21.20.010, the anti-fraud section of the Securities Act.  
21

22 It is further SUMMARILY ORDERED that Renald Bidwell, James Hansen, Peter  
23 Woodbridge, and Gary VanLandingham each cease and desist from violation of RCW 21.20.040,  
24 the section of the Securities Act that requires registration of securities salespersons and broker-  
25 dealers.



1  
2 **NOTICE OF INTENT TO REVOKE REGISTRATION**

3 Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of Fact  
4 and Conclusions of Law, the Securities Administrator intends to order that the securities  
5 salesperson registration of Respondents James Hansen, Gary VanLandingham, Ryan Jensen,  
6 and Phil Jensen be suspended or revoked.  
7

8 **NOTICE OF INTENT TO IMPOSE FINES**

9 Based upon the offers and sales of unregistered securities to Washington residents, by  
10 registered and unregistered broker-dealers and/or salespersons, the misrepresentations and  
11 omissions contained in those offers and sales, and upon the above Tentative Findings of Fact and  
12 Conclusions of Law, the Securities Administrator finds that one or more knowing or reckless  
13 violations of the Securities Act have occurred such that the imposition of fines is appropriate  
14 pursuant to RCW 21.20.110(3) and/or RCW 21.20.395. Therefore, the Securities Administrator  
15 intends to order that

- 16 a. Respondent Renald Bidwell be liable for and pay a fine in an amount not to  
17 exceed \$10,000.  
18 b. Respondent James Hansen be liable for and pay a fine in an amount not to  
19 exceed \$10,000.  
20 c. Respondent Peter Woodbridge be liable for and pay a fine in an amount not  
21 to exceed \$35,000.  
22 d. Respondent Gary VanLandingham be liable for and pay a fine in an  
23 amount not to exceed \$5,000.  
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1 e. Respondent Ryan Jensen be liable for and pay a fine in an amount not to  
2 exceed \$5,000.

3 f. Respondent Phil Jensen be liable for and pay a fine in an amount not to  
4 exceed \$5,000.

5 **AUTHORITY AND PROCEDURE**

6 This Order is entered pursuant to the provisions of RCW 21.20.110, RCW 21.20.390 and  
7 RCW 21.20.395 and is subject to the provisions of RCW 34.05. The respondents, Mid-America  
8 Foundation; Robert Dillie; Renald Bidwell; James Hansen; Peter Woodbridge; Gary  
9 Vanlandingham; Ryan Jensen; Phil Jensen; may each make a written request for a hearing as set  
10 forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR  
11 HEARING accompanying this order.  
12

13 If a respondent does not request a hearing, the Securities Administrator intends  
14 to adopt the above Tentative Findings of Fact and Conclusions of Law as final and enter a  
15 permanent cease and desist order against that respondent and impose the license suspension or  
16 revocation, restitution, and/or fines described above against that respondent.

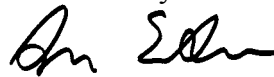
17 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

18 Dated this 31st day of March, 2003

19  
20  
21 

22 Deborah R. Bortner  
23 Securities Administrator

Presented by:

24 

25 Suzanne E. Sarason  
Financial Legal Examiner

Approved by:



Michael E. Stevenson  
Chief of Compliance

SUMMARY ORDER TO CEASE AND DESIST,  
NOTICE OF INTENT TO SUSPEND OR REVOKE  
SECURITIES SALESPERSON LICENSE, AND  
NOTICE OF INTENT TO IMPOSE FINES

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DEPARTMENT OF FINANCIAL INSTITUTIONS  
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SUMMARY ORDER TO CEASE AND DESIST,  
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