

Windsor Planning Group

FILED

2011 NOV 30 P 12:29

Hearings Unit, DIC
Patricia D. Peterson
Chief Hearing Officer

Insurance Commissioner

Attention: Kelly Cairns

I am requesting a formal hearing with regards the Remi and Geraldine Bell complaint and your decision to revoke my insurance license. I have been in the insurance industry for over 28 years and throughout that time have had only 3 complaints. Hopefully that should say something as to my character. The possibility of losing my license is a very serious thing for me as it will push my wife and I into poverty. We will not only lose our cars but our home as well. I am also having to prepare to help pay for my 91 year old father's care as his health is continuing to spiral downward. I have no savings due to a major loss years ago in the Forex market.

Selling life insurance and annuities is all I know and there would be nowhere else I could go.

Please allow me to make my case before you and try and make sense of what transpired with the Bells. Below I have listed several errors in brief as to your findings. I have always put my clients first and when it has come to replacing policies I have explained the good points along with the bad. The ultimate decision for Remi was what he felt would benefit him more, keeping the old annuity or purchasing the new one. Unfortunately the Vision Gold investment was part of the overall plan in that the principle was to be returned at the end of the time period and that didn't happen. I feel horrible that this happened as well. We were told that the Vision Gold Partnership units would always return the principle dept purchase price. Needless to say we were all lied to. I honestly did let him know there was risk to this investment as well as rewards. Remi did sign the risk statement after reading it. Mr. Bell I believe was an engineer and had a very good grasp of numbers. He showed me a hand written and computed schedule of all his investments when I first met him in 1999. Even up to the last meeting to replace the American National he was very alert and not an old man to be taken advantage of.

When using annuities to help provide income or as a back up for future use there are a variety of methods available. Each product in my view has certain benefits that can be utilized to accomplish a main goal or purpose. Some benefits within the annuity are not the main concern such as minimum rate guarantees. In the Bell's case he opted for the potential for higher yields with more strategies within the product. THE FIXED RATE WAS NEVER THE CONCERN AS WE WANTED TO USE THE STRATEGIES. If he wanted a 3% or 3.5% return for the rest of his life he would have told me so. He was used to higher than average returns on his portfolio

before I met him but they were getting to risky according to him. Due to the Market Value Adjustment on the American National product his values would go up or down with no lock in. That also was one of the reasons he liked the OM financial annuity. All the gains if any would be locked in with no fluctuation in value.

One main point I would like to stress in this case is that it always seems to boil down to what they remember vs. what was really presented. I would venture to guess Remi forgot most of all the details and what he agreed would be a good choice. Each signature on the application represents his understanding of the products I sold. That means the surrender charge period as well as the minimum guarantees. When I filled out the applications I made sure to explain all of these as well as in the presentation. To charge me with deceptive sales practices or inducements is unfounded. Maybe a lack of judgment or poor advise would be more tolerable but to take my license away for what transpired is very extreme and will ruin my life. In the investment arena with financial advisors or stock brokers more damage has been done to retirees with no consequences whatsoever. In my case I was not trying to purposely churn annuities for the sake of commissions, I was honestly trying to help grow Remi's funds utilizing better strategies that where being offered as products evolved.

I feel its important to look at the time period of all the transactions and see how the market and performance of products played a role in my recommendations. The bond markets plummeted during one period, the investment grade bond market did a down turn as well. This all played into why I thought to replace the Bell's annuities. Yes I did make new commissions each time and did explain that to Remi but at the same time I thought it would help them as well.

Below I have listed some of the charges from your letter and a brief response I would like to add the fact that I see NEW areas that I didn't get to address in your letter as well. Please again give me a few months to get more information to clear my self.

#3 As far as representing myself as a Certified Estate Planner: during that time I had no idea that I could not use that designation. I went thru major course material what was then the Institute of Certified Estate Planners. The test I took was extensive and the course was not a two day quick run through. It was not until later that I found that in our state that we are not to use those types of designations. (www.nicep.org this organization is still helping people today)

4. The IL Annuity did have a 3.5% rate but the account value would increase or decrease based on interest rates in the bond market. After seeing how it was performing I showed Remi the new type of Index annuity to stop this fluctuation. He agreed it would be a better choice.

#5. I am trying to contact Fred Howard owner of the Vision Gold partnership to get the final Ruling as to whether or not this was a security. I was told it was NOT and did my due diligence

years ago flying to Chicago to ask questions etc. If it was a scam then I was fooled as well. I was very ignorant during those years as to alternative investments and have really learned a lesson . Please give me time to investigate this further.

#6. The penalty for pulling funds out where to be made up with returns from the Vision Gold

#7. The dates of the signatures where probably due to errors I made on the forms as well as when I signed them and sent them in. Please see attached notes from American National. I more than likely sent them the new form to sign and then I signed later.

#8. Please give me time to investigate how I could have used wrong numbers for the penalties. I used the attached statement showing the surrender penalties for both Remi and Geraldine when offering them an alternative.,,

I believe you are using newly established guidelines that were not in play during the years I did replace these policies. There were no guidelines as to having to make sure the surrender penalty was made up upon issue vs. at the end of the year. When speaking with different new business departments it was understood that that you should have the charges mostly covered by the end of the year after issue. That is why most all agents would use a bonus plus fixed rate or a combination of other strategies to offset the surrender charge at the end of one year. Those guidelines have changed and now the bonus must make up the charge entirely. Also there were no model suitability guidelines or form to use. I am glad that we have them now so as to not have the type of situation I am in today.

Applying new guidelines to a sale made before they were established is not right. Enclosed are the statements showing exactly how I made up the surrender charges and that is what I told the Bell's. Contrary to speculation I did not misrepresent the product and surrender charges.

When the new policies were delivered the total amount transferred was on the first page of the policy. Mr. Bell being a numbers person would have seen a much lower amount that what I stated if I did use the numbers on the replacement form. Why didn't Mr. Bell let me know when I delivered the polices if that was the case? The other fact is I do not sell from the replacement form , I use a yellow pad and show the client in real numbers what the method is to recapture a penalty as well as surrender charges on the new one. I would have also gone on the agent site and took numbers from the current cash value to date or from the most current statement as I did here.

A very important point is that that you can also tell by the attached memos from American National that conservation letters where mailed and had to be signed.

#9. As stated in question number 8 back then agents used the bonus plus first year fixed rate or combination of strategies to help offset or cover entirely the surrender charges. Attached is the year end statement for both Remi and Geraldine showing that ALL charges were covered. I NEVER made the statement or even implied the bonus alone would cover the surrender charges. I showed Remi each time what the end of year amount should total. NO deception. Why would

he not call me upon receiving the end of year statement and ask why the numbers don't add up? Also why would he trust me to do it again?

(The only time I couldn't fully cover all surrender charges in the first year was the OM financial annuity but I did explain that as well to Remi as explained later)

Answering "No" to interest earnings etc. as a consideration for replacement I have no idea why I didn't check "yes". It wouldn't change anything either way as far as the sale went and I was not trying to hide anything.

#10. I probably was rushing through the form trying to get it back to the Bell's making other corrections needed on the new form sent by American National. Remi was fully aware of the new penalties

#12 .Addressing violations with regards to products, materials, and replacement forms not approved in Washington:

The owner of the annuity is the IRA custodian residing in CO. Please note the owner's name on the policy and the owner's signature (also NTC & Co/Fiserv). Given the owner is in Colorado, this is a CO sale. Although I did speak with a WA resident, the ultimate sale resulted in an owner in CO.

I had to comply with the State of Colorado forms due to ownership.

The Self Directed IRA the Bell's owned purchased the product. A self directed IRA may purchase just about anything on behalf of the IRA account owner. The reason they had problems liquidating or getting information about the annuities is they forgot to go thru the administrator of their IRA. I thought I left them instructions as to how to access funds. If not then I am at fault for lack of education as to how the IRA worked.

I also explained to OM Financial how I was going to purchase these annuities and they ran it thru their legal department. I would not have done this if I knew it violated statutes in Washington. I am not that greedy or stupid. How can a major insurance company process an application showing a Washington resident address and signing as annuitant , then the product being purchased and signed by an owner in Colorado and not question it? It all seemed logical to me especially knowing how a self directed IRA is used to purchase other investments. Each investment like a mutual fund, bonds, limited partnerships etc. are NOT owned directly by the IRA owner but by the Administrator on BEHALF of the IRA owner.

If this is wrong I stand corrected. I thought by going to the insurance company and asking them to research this with regards to annuities they would be the ones to assure me it was ok.

#13. Please refer to question 9 and statements. Mr. Bell new it would take a full year to recoup and then a few months depending on whether or not we stayed in the fixed rate or move to a index strategy. As you can see on the attached OM Financial statement he did very well. It is also

noted that he stated clearly that NO FUNDS would be needed during the FULL year or contract anniversary. If he needed funds earlier I would have not recommended this product or that he move any funds.

#14 . Please see #12

#15 ,I honestly will state that I did not misrepresent anything over all the years of dealing with the Bell's. They are wonderful people and I would not purposely harm them financially.

#16-23. Replacement forms were done correctly for OM Financial and as stated above I could not use Washington forms as the owner is a Colorado Trust. Again I am adamant that I did not misrepresent materials, statements concerning products or surrender charges, the recapture of surrender charges.

Final Statement:

I can see that on the surface it does look like I was churning policies but that was not the case. In each instance all I was trying to do was keep the Bell's funds in a better position. The Vision Gold partnership was the only thing I wished I had never gotten the Bells into. It seemed at the time a great investment. During the previous years the program was going very strong but then 911 came and things went down hill I guess after that. We were kept in the dark as to what was happening behind the scenes all of us thought things were fine until much later. The move to OM Financial was an honest one and my hope was that using the index annuity the Bells would capture some great returns over the years ahead. He stated he only would take RMD's when needed from that annuity as the Vision Gold income was taking care of those. If I am guilty of anything it would be the poor judgment on that investment and being sloppy with regards to filling out forms. I have learned a horrible lesson here and I am urging you to please give me a chance to go on and do things by the book.

If you will give me a few months I can research and see how to obtain the court documents stating that the Vision Gold was not a security. That is what I heard years ago but I am having trouble getting a hold of anyone. I think I may be able to search it out on the web but it will take time. Also I have no idea how I came up with the numbers for surrender penalties used on the replacement forms. But I really would like to see how I might have missed that one.

I would very much like to sit down and discuss this case with you and I think you will see that I am not a crook but maybe a little naïve and sloppy sometimes.

Sincerely,

Alan Haugen # 17419

Dated; 11-29-11

QUESTION #9

CALCULATION LETTER AND STATEMENTS USED

CALCULATIONS FOR THE BELL CASE:

NOTE: In each instance before moving funds , I completely disclosed all negatives concerning the transfers. I explained how each new product worked, **the new surrender charge period**, the need to let the money grow for one year, all was agreed to each time. He would always say there was no need to access the policy. ALSO "I ASKED EACH TIME IF HE THOUGHT HE WOULD NEED ANY MONEY FROM THE CONTRACT , EACH TIME "NO" WAS THE REPLY. I even explained to Mr. Bell that there would be a small gain in the contract for the first year but it would make up the surrender charges. It was like getting a zero return for one year, which would be better than being in equities (which is were he started from) and losing. The fixed rate account was used for the first year to get the maximum yield . (except for the American National , it had a blended strategy) After one year we would move if warranted into the index strategies(for the OM Financial product). WE WOULD THEN SEE HOW IT PERFORMED. He did just that.

CALCULATIONS

A. First Policy IL Annuity and Life

Balance before Transfer: \$82,399 (Mr. Bell took several withdrawals from this policy before we moved it)

B. American National Life

5/14/2003

\$76,889 plus 4%= \$79,964 (needed to make up \$2433.00) from IL Annuity transfer
\$82,718 year-end balance (effective yield 7.73%)

IL Annuity balance before exchange: \$82,399

Positive Gain: \$319.00

NO LOSS OF PRINCIPLE DUE TO THE TRANSFER

2005

NOTE: Mr. Bell took a \$3,000 Distribution from the funds transferred to OM Financial

C.OM Financial: Index Annuity

Total balance from American National : \$82,873 (net after \$3,000 withdrawal before starting the new policy)

\$77,240 plus 6%= \$81,874 (short \$999.00) start of first year.

\$83,832 year-end balance (effective yield 8.63%)

Positive gain in contract of \$1958.00

NO LOSS OF PRINCIPLE DUE TO TRANSFER

Note: Mr. Bell took a withdrawal from this policy prior to the year end . He had agreed initially to let it sit for one whole year. As per plan.

On all transactions during this time frame you have only reduced the net yield of all policies but never reduced the principle

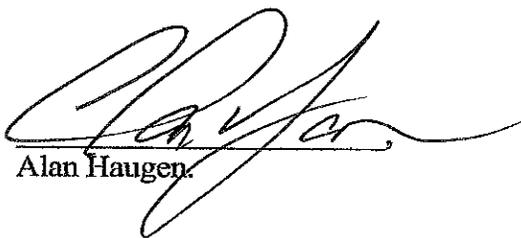
Mr. Bell completely understood the concept and the fact that it would take a year to be made whole from the previous company. He WAS NOT concerned then. If there were a concern as regards to surrender charges would it not be at this time to bring up that concern or state that he would need more liquidity than 10%? From 1999 and three products later all with surrender charges of at least 10 years (except for the OM Financial due to their bonus.) would I be deaf as to not hear the question about liquidity? There was none.

Mr. Bell seemed fine with every transaction I have made over the years. He has never lost his principle with the annuities only a small amount of interest earnings until the interest rate made up the difference.

Mr. And Mrs. Bell during my visit with the last exchange should have said wait! We are in need of money and might have to access more in the near future maybe we should just stay with the current plan. Was that ever mentioned? NO. If it was why would they still go forward?.

In 1999 thru 2003 had MR. Bell stayed with his equity holdings , he could have lost well into the 30% range in his Qualified fund accounts. He had to take distributions each year which would have compounded his loss.. More than likely he would be worse off than it might look today. I am so sorry concerning the Vision Gold LLC partnerships and its performance. At the time it looked like an excellent place to split some of the funds as we did. No one new the effects of 9/11 on the debt collection industry. Thankfully around 72% of the Bells funds were paid back during the course of years. This is my only regret and have been sickened over it as well . Would I be a hero today if the market collapsed completely and the Bell's still had the majority of funds in safe annuities? You bet I would. We wouldn't be talking at all.

All was done in order to keep a decent return going for Mr. Bell. There was never a motive of deceit, selfishness or trickery. I have always wanted to use annuities to help people due to the safety features. There is not another product I my opinion that can do what annuities can when it comes to safety and security. Can I make mistakes; YES I have to admit I have made mistakes and would be the first to admit it.



Alan Haugen.

AMERICAN NATIONAL INSURANCE COMPANY

Administrative Office: P.O. Box 7873, San Francisco, CA 94120-7873

STATEMENT OF RENEWAL

BENCHMARK10

AS OF: MAY 14, 2004

Owner: REMI BELL
9103 FORTUNA DR.#9401
MERCER ISLAND, WA 98040

Annuitant: REMI BELL

| Certificate No.: | LAR0052872 | Certificate Effective Date: | 05/14/2003 |
|------------------|------------|-----------------------------|----------------------|
| | | <u>Current Year</u> | <u>Prior Year(s)</u> |
| Deposit(s): | | \$0.00 | \$76,889.77 |
| Withdrawal(s): | | \$0.00 | \$0.00 |
| Account Value: | | \$82,853.06 | |
| Surrender Value: | | \$75,061.28 | |

*+ 47,984
= 79,984*

| <u>Account Value Strategy</u> | <u>Strategy Account Value</u> |
|-------------------------------|-------------------------------|
| GUARANTEED ONE YEAR | \$33,038.31 |
| INDEX CORPORATE BOND SELECT | \$49,814.75 |

Annualized Rate of Return since 05/14/2003¹:

7.73%

¹This represents the Annualized Rate of Return since inception of your annuity and reflects any prior withdrawals, as well as the addition of extra interest in the first year.

\$33,038.31 renewed on May 14, 2004 at an annualized yield of 3.25% for your strategy guarantee period. Other investment strategies may be available. For additional information, please contact your representative listed below. Any changes must be received in our Policyholder Services department within 30 days of this notice.

ALAN G. HAUGEN
(253)924-1585

#5,509.26 oc.

AMERICAN NATIONAL INSURANCE COMPANY

Administrative Office: P.O. Box 7873, San Francisco, CA 94120-7873

STATEMENT OF RENEWAL

BENCHMARK10

AS OF: APRIL 21, 2004

Owner: GERALDINE BELL
9103 FORTUNA DR # 9401
MERCER ISLAND, WA 98040

Annuitant: GERALDINE BELL

| Certificate No.: | LAR0053749 | Certificate Effective Date: | 04/21/2003 |
|------------------|------------|-----------------------------|----------------------|
| | | <u>Current Year</u> | <u>Prior Year(s)</u> |
| Deposit(s): | | \$0.00 | \$23,571.65 |
| Withdrawal(s): | | \$1,175.68 | \$959.09 |
| Account Value: | | \$23,237.12 | |
| Surrender Value: | | \$21,041.53 | |

| <u>Account Value Strategy</u> | <u>Strategy Account Value</u> |
|-------------------------------|-------------------------------|
| GUARANTEED ONE YEAR | \$9,264.75 |
| INDEX CORPORATE BOND SELECT | \$13,972.37 |

Annualized Rate of Return since 04/21/2003¹: 7.75%

¹This represents the Annualized Rate of Return since inception of your annuity and reflects any prior withdrawals, as well as the addition of extra interest in the first year.

\$9,264.75 renewed on April 21, 2004 at an annualized yield of 3.25% for your strategy guarantee period. Other investment strategies may be available. For additional information, please contact your representative listed below. Any changes must be received in our Policyholder Services department within 30 days of this notice.

ALAN G. HAUGEN
(253)924-1585

**FIDELITY AND GUARANTY LIFE
INSURANCE COMPANY**

ANNUAL STATEMENT OF POLICY VALUES
FLEXIBLE PREMIUM DEFERRED ANNUITY
POLICY YEAR: JUNE 22, 2005 - JUNE 21, 2006

CONTRACT INFORMATION

POLICY NUMBER: L9092347 OWNER: RETIREMENT ACCOUNTS INC JOINT OWNER:
 PRODUCT NAME: SPECTRUM CHOICE BONUS ANNUITANT: REMI BELL
 DATE OF ISSUE: JUNE 22, 2005 TAX QUALIFICATION: INDIVIDUAL RETIREMENT ANNUITY

THANK YOU FOR CHOOSING F&G LIFE AS A PARTNER IN BUILDING YOUR SECURE FINANCIAL FUTURE. IF YOU HAVE ANY ADDITIONAL INSURANCE NEEDS, PLEASE CONTACT YOUR AGENT OR OUR OFFICE AT THE NUMBER LISTED AT THE BOTTOM OF PAGE 3.

CONTRACT ACTIVITY

| | One-Year S&P500® Monthly Point To Point | Two-Year S&P500® Monthly Point To Point | Three-Year S&P500® Monthly Point To Point | Fixed Interest Option | TOTAL |
|---|--|--|--|--|--|
| ACCOUNT VALUE AS OF JUN 22, 2005 ("PREMIUM" ON 1 ST STATEMENT) | \$0.00 | \$0.00 | \$0.00 | \$77,240.28 | \$77,240.28 |
| SURRENDER VALUE AS OF JUN 22, 2005 | | | | | \$67,585.25 |
| ADDITIONAL PREMIUM RECEIVED | -N/A-** | -N/A-** | -N/A-** | \$0.00 | \$0.00 |
| ADDITIONAL INTEREST | \$0.00 | \$0.00 | \$0.00 | \$4,634.42 | \$4,634.42 |
| INTEREST CREDITED FOR INDEX PERIOD ENDING JUN 21, 2006 | \$0.00 | TO BE DETERMINED ON JUN 22, 2007 | TO BE DETERMINED ON JUN 22, 2008 | \$1,958.69 | \$1,958.69 |
| PARTIAL SURRENDERS SURRENDER AMOUNT SURRENDER CHARGES PAID TO CLIENT*** | \$0.00 \$0.00 \$0.00 | \$0.00 \$0.00 \$0.00 | \$0.00 \$0.00 \$0.00 | \$6,060.61 \$1,060.61 \$5,000.00 | \$6,060.61 \$1,060.61 \$5,000.00 |
| ACCOUNT VALUE FOR INDEX PERIOD ENDING JUN 21, 2006 (PRIOR TO TRANSFERS, IF ANY) | \$0.00 | \$0.00 | \$0.00 | \$77,772.78 | \$77,772.78 |
| TRANSFERS | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| ACCOUNT VALUE AS OF JUN 22, 2006 (FOLLOWING TRANSFERS, IF ANY) | \$0.00 | \$0.00 | \$0.00 | \$77,772.78 | \$77,772.78 |
| SURRENDER VALUE AS OF JUN 22, 2006 | | | | | \$66,214.73 |

* PARTIAL AND FULL SURRENDERS MAY BE SUBJECT TO SURRENDER CHARGES AS DESCRIBED IN THE POLICY. THE SURRENDER VALUE IS SUBJECT TO THE MINIMUM GUARANTEED SURRENDER VALUE AS DESCRIBED IN THE POLICY. THE SURRENDER VALUES SHOWN REFLECT ANY APPROPRIATE CHARGES AND MINIMUM VALUES.

** ADDITIONAL PREMIUMS WILL BE ALLOCATED TO THE FIXED INTEREST OPTION INITIALLY AND CAN ONLY BE REALLOCATED ON THE POLICY ANNIVERSARY.

*** INCLUDES ANY WITHHOLDING, IF APPLICABLE.

9-83-833.39
MM Bell saw he was not going to touch this account for a full year.

QUESTION #7

AMERICAN NATIONAL MEMO'S



MY LEGACYNET

LEGACY SERVICE CENTER

HELPFUL INFORMATION | MY ACCOUNT | SITEMAP | HELP | CONTACT US | LOG OFF

MARKETING TOOLS | PRODUCTS | COMPENSATION SCHEDULES | COMPLIANCE | EVENTS CALENDAR | INCENTIVES/REWARDS |

November 28, 2001

CERTIFICATE/POLICY LAR0052872 - REMI P BELL

WRITTEN BY ALAN HAUGEN #201

SEARCH POLICIES
CERTIFICATE

Certificate/Policy Information

Certificate/Policy: LAR0052872
Product: BENCHMARK10 EXTRA 4 ANNUITY **Type:** IRA
Status: Annuitized / Surrendered **Application Date:** 1/30/2003
Effective Date: 5/14/2003 **Writing Producer:** 000000201
Maturity Date: 5/14/2028 **Mailed to:** ALAN HAUGEN #201
Issue Premium: 76,889.77 **Mailed:** 6/5/2003
Annuity Value:
Guaranteed Value:
Surrender Value:
Surrender Charge
Free Withdrawal
Amount:

Client Information

Client Type: Annuitant
Name: REMI P BELL **Joint Annuitant:**

Date of Birth: 03/27/1928
Address: 319 NE 59TH STREET
 SEATTLE, WA 98105

Client Type: Owner
Name: REMI P BELL **Joint Owner:**
Date of Birth: 03/27/1928
Address: 319 NE 59TH STREET **Telephone:** (206) 524-4396
 SEATTLE, WA 98105

Diary

Checkbook Ordered: 11/04/2003 **Checkbook Mailed:** 11/08/2003

| Document Type | Faxed | Received |
|--|-------|------------|
| CERT R & D- 6/30/03 | | 07/22/2003 |
| MRD | | 09/05/2003 |
| SIGNED NRR-ORIG RCVD INCOMPLETE ***SUR*** | | 10/27/2003 |

| Transfer Institution | Account | Amount | Received |
|----------------------|------------|----------|------------|
| IL ANNUITY & INS CO | DAR0067599 | 76889.77 | 05/14/2003 |

IL ANNUITY & INS CO @ 877-549-7663
 02/04/03: DATA ENTRY CASE ONLY...MLD NOTIFICATION OF REPLMNT LTR TO IL ANNUITY
 & INS...CASE TO TEAM 3...YCB/GA
 02/05/03: LVM FOR PROD, RE: ATTF BOX 5 - NQ WAS MARKED, NEED BOX 6 Q -IRA

Reason for different dates on surrender forms

*Pro bable
cause of
different
dates*

MARKED, WILL RETURN ATTF FOR CORRECTION, ALSO WA-NRR SECTION 7(B) AND SECTION 7(F) WAS AN UNACCEPTABLE ANSWER, REQUESTED NEW NRR, SENT WA-NRR COMPELTING GUIDE. XFER PAPWK IN PENDING BIN - KNN
02/13/03: RCVD WA-NRR SGN'D BY SPOUSE GERALDINE FOR DAR0087600 BUT NO CASE FOUND IN ALS. SENT REQ WRK OBJ TO XFER HOLD QUEUE FOR F/U W/PROD TO INQUIRE IF SENT IN ERROR OR IF ANOTHER CASE IS BEING SENT IN.-DAA
02/15/03: W/GROUP 1, MLD WEL LTR TO OWNER, CC TO PROD W/PRE DEL...LRP
02/21/03: TC FROM PROD RE WHETHER WE RECD THE CORRECTED NRR-YES RECD ON 2/11/03. THE CORRECTED ATTF WAS SENT LAST WEEK.-CDR
2/24/03: TRX SENT TO PHS TO PROCESS...JLSM
03/27/03: ILANN RECEIVED SURREN ON 3/24 TAKES 10-14 BUS DAYS...CZS/TEMP.GA
4/21/03: ON 4/10 ILANN(DAR0067599) RCV SIGNED CONSR LTR. MAILED OUT 2ND REQ LTR BECAUSE OWNER SIG NOT ON OWNER'S LINE. .SAB/TEMP
05/05/03: NOTED IN ILANN DIARIES: RECD ORIG SIGND CONSERV LTR, STMT OF LOST CKBK & LOST CERT ON 4/29. CP/TEMP/CA
05/13/03: F/U AS PER ILANN ALS, SURRENDER REQUEST TO APPROVER 5/13. TC PATRICIA EX: 5147 WILL PROCESS BY END OF WEEK 5/16. MEW/TEMP
06/02/03: EDITED WORD DOCS. NEED AUDIT FOR QUALIFIED ACCT. OP/TEMP
06/05/03: SNT CERT DOCS TO ALAN HAUGEN AIRBORNE TRCK# 3380868234...SB
07/18/03: FAXED DEL REQ F/U FOR CRD & NRR TO PROD...JPF/TEMP
08/01/03: RCVD CRD, NRR STILL NEEDED DUE TO THE ONE WE RECEIVED IN APP DOCS WAS INCOMPLETE, CASE SUSPENDED...JKW
08/26/03: FAXED 2ND DEL REQ F/U FOR NRR TO PROD...JPF/TEMP
09/05/03: RCVD THE MRD FWD TO PHS...JKW
09/05/03: RCVD MRD FORM...GFW.GA

It is not intended for client use in any way. This information is not to be used as an inducement to purchase an annuity or insurance coverage. For more detailed information regarding the value of your client's annuity or life insurance contract, including the surrender value, contact Policy Holder Services at 800-274-3179.

©2001-2011 Legacy Marketing Group®. All Rights Reserved.

MR. BELL'S SIGNATURE VERIFYING HE UNDERSTOOD THE LOWER GUARANTEED
INTEREST RATE

OR GUARANTEED

When Surrender Charges Do Not Apply
Surrender charges are not deducted from the account value when you request a surrender if any of the following benefits or situations, which may be provided by rider, are issued as part of or apply to your annuity:

1. You surrender 10% or less of the account value as of the prior policy anniversary, less any amounts previously surrendered in the current policy year which were not subject to surrender charges; up to a maximum of 25%;
2. You exercise an annuity option beginning in the sixth policy year;
3. You are confined to a licensed nursing home for more than 60 days and the confinement begins after the first annuity year (the surrender must be made during the period of confinement);

4. A licensed physician certifies that you have been diagnosed with an illness or condition that causes your life expectancy to be less than one year (the diagnosis must be at least one year after the annuity's date of issue);
5. Your unemployment began after the date of issue, has continued for at least 30 consecutive days, and you are under the age of 65 at the time of your request (the surrender must be made during the period of unemployment);
6. When the death benefit is paid, unless the spouse of the first owner to die continues ownership of the annuity and subsequently surrenders the annuity.

Note that if you fully surrender the annuity or exercise one of the options because of the circumstances described above, the surrender value will equal the greater of the account value or the minimum guaranteed surrender value.

Continued on back

SHOWS minimum Rate

CONFIRMATION STATEMENT

Please read this form to ensure you understand. This form must be detached and returned with the application to Fidelity and Guaranty Life.

IMPORTANT MINIMUM GUARANTEED INTEREST RATE INFORMATION:

The minimum guaranteed (MGSV accumulation) interest rate is a rate set at issue (fixed for the life of the contract) with a minimum of 1% and a maximum of 3%. The minimum rate may vary by state, and will depend upon what is approved in your issue state. Your agent has advised you of the Minimum Guaranteed Interest Rate in your state and that rate will be shown on your issued annuity.

By signing here, you are telling us that you have read this summary and understand the descriptions of the Spectrum Choice Bonus equity index annuity features. You are also telling us that neither Fidelity and Guaranty Life nor your agent has made any guarantees or promises regarding future index values, index changes, index credits, or interest rates under the annuity.

I understand that the Company offers index annuity products with different features and benefits and that I can also apply for those products by contacting the Company or one of its agents.

Robert...

Signature of Owner

Signature of Joint Owner, if any

Robert Bell 6/27/05

Date

[Large signature area with multiple signatures]