

Lawsuit Regarding Alleged Fraudulent Life Settlement Scheme

Article By:

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Who: *Plaintiffs:* Windsor Property and Surety, LLC and WCM Direct, LLC

Defendants: Richard William Provencio; Carmen Valdavino Provencio; Dean Lichter; Jerry Ricketts; and All Insurance Marketing Financial, Inc.

What: Plaintiffs Windsor Property and Surety, LLC and WCM Direct, LLC filed an action against Defendants Richard William Provencio, Carmen Valdavino Provencio; Dean Lichter; Jerry Ricketts; and All Insurance Marketing Financial, Inc., arising from an alleged fraudulent life settlement scheme established by the Provencios. According the complaint, the Provencios created an “elaborate web of sham-companies” that Defendants portrayed to investors as a “legitimate life settlement business.” Plaintiffs allege that this purported life settlement business was actually structured as follows:

The Provencios targeted senior citizens to invest in a series of scams by (1) selling interests in policies with falsified life expectancies (*i.e.*, policies of individuals not expected to die anytime soon), (2) selling interests in non-existent policies, (3) overselling the interests in policies so that the insurance proceeds therefrom could not pay all of the investors in those policies, (4) failing to pay the premiums on the policies in which they had induced investors to purchase interests, (5) depleting the cash value of policies to cover premiums, (6) cashing in policies without paying their investors, and (7) siphoning or commingling investor funds in order to fund the Provencios’ own extravagant lifestyle.

According to the complaint, the Provencios created a network of agents through their company, Integrity Retirement Partners, LLC, to sell “fractionalized interest in life insurance policies.” Plaintiffs allege that in marketing these “investment products,” Defendants negligently or fraudulently made the following misrepresentations to investors: (1) the Provencios had in-depth knowledge of the life settlement business; (2) reliable life expectancy estimates would be obtained from independent

reviewing physicians; (3) a portion of the funds from the investment amounts would be set aside to pay premiums; and (4) the Provencios purchased life insurance policies “of individuals whom a third-party service had determined had remaining life expectancies of a short duration.” The complaint alleges that Defendants’ misrepresentations induced Plaintiffs to purchase two life insurance policies from the Provencios and loan the Provencios money for the purchase of an additional life insurance policy.

Since purchasing the policies, Plaintiffs allege that the State of California sued the Provencios and Integrity Retirement Partners, LLC for “engaging in the very fraudulent scheme that duped Plaintiffs.” Moreover, Plaintiffs assert that they were also named as defendants in the California action, in which the State of California “sought to recover from Plaintiffs any money they received from Provencios and IRP as proceeds or traceable to the proceeds of the fraudulent scheme that the Provencios and IRP perpetuated on investors, despite the fact that Plaintiffs were also victims.”

Based on the above allegations, Plaintiffs assert claims for fraud and negligent misrepresentation. Plaintiffs seek monetary relief in excess of \$1 million, actual damages, exemplary damages, costs, and attorneys’ fees.

Where: District Court of the State of Texas, County of Dallas

When: August 13, 2013

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