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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Ronald Edward Reiswig
2239 North Nutmeg
Escondido, CA 92026

Janet Sue Reiswig
2239 North Nutmeg
Escondido, CA 92026

Fidelity Insured Deposits, Inc.
23046 Avenida de la Carlota, Suite 600
Laguna Hills, CA 92653

Fidelity Insured Deposits, Inc.
1851 East First St 9th Floor
Santa Ana, CA 92805

FEP, Inc., doing business as Family Estate Insurance Services
23046 Avenida de la Carlota, Suite 600
Laguna Hills, CA 92653

DESIST AND REFRAIN ORDER

(For violations of sections 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. Ronald Edward Reiswig (“Ronald Reiswig”) is licensed by the California Department of Insurance as a life agent, with the address of 2239 North Nutmeg, Escondido, CA 92026. His insurance license number is 0809297.

1 2. Janet Sue Reiswig (“Janet Reiswig”) is licensed by the California Department of Insurance
2 as a life agent, with the address of 2239 North Nutmeg, Escondido, CA 92026. Her insurance license
3 number is 0B87461.

4 3. FEP, Inc. is a California corporation incorporated on August 25, 1997. Ronald Reiswig is
5 the president and sole owner of FEP, Inc. Its registered address is 23046 Avenida de la Carlota, Suite
6 600, Laguna Hills, CA 92653. FEP, Inc. was licensed as an insurance agency by the California
7 Department of Insurance, license number 0C15049, and does business under the name Family Estate
8 Insurance Services. FEP, Inc. is required by the California Department of Insurance to use the name
9 Family Estate Insurance Services for all insurance business it conducts in California. FEP, Inc.’s
10 insurance license expired on December 31, 2005 and is currently inactive.

11 4. Fidelity Insured Deposits, Inc. is a California corporation incorporated on August 29,
12 2000. Ronald Reiswig is its president and registered agent for service of process. Its registered
13 address is 23046 Avenida de la Carlota, Suite 600, Laguna Hills, CA 92653. It has also done
14 business at 1851 East First Street, 9th Floor, Santa Ana, CA 92805.

15 5. Janet Reiswig, Ronald Reiswig, FEP, Inc. and Fidelity Insured Deposits, Inc. regularly
16 placed advertisements in newspapers throughout the state of California under the name Fidelity
17 Insured Deposits and offered purported “FDIC Insured CDs” with promised yields substantially
18 higher than those being offered by actual FDIC-insured institutions. When interested persons
19 contacted the phone numbers listed in the advertisements for information about the CD offer, they
20 were told that they needed to come to a company office for a meeting in order to obtain details. Once
21 in the company office, persons who responded to an advertisement of Fidelity Insured Deposits, Inc.
22 met with insurance agents representing FEP, Inc. who urged them to consider an alternative product
23 instead. The alternative product was an insurance annuity offered by FEP, Inc on which it made
24 commissions.
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1 6. Fidelity Insured Deposits, Inc. is not an FDIC-insured institution and has no ability to
2 provide FDIC-insured certificates of deposit (CDs). It is a marketing device whose primary purpose
3 and function is the placement of CD advertisements and payment of bonuses to attract potential
4 annuity purchasers to FEP, Inc., which makes commissions on the sale of annuities. If a customer
5 insisted on purchasing a CD rather than an annuity they were referred to an FDIC insured institution
6 to purchase it and a small bonus was paid to the customer to make up the advertised interest rate for a
7 limited amount of investment. Because Fidelity Insured Deposits, Inc. loses money by advertising
8 and paying bonuses and it earned no money from the purchase of CDs or annuities by customers, it
9 was entirely dependent for its operating expenses on money given to it by FEP, Inc. and the
10 Reiswigs. Fidelity Insured Deposits, Inc. had no other source of income other than money given to it
11 by FEP, Inc.

12 7. In or about 2001 Ronald Reiswig, Janet Reiswig, and Fidelity Insured Deposits, Inc.
13 offered and sold an investment contract and note in the amount of \$163,447 in California in the form
14 of a "Security Contract" which included a "Promissory Note", and a "Pledge of Shares Of Stock"
15 which purported to pledge 100,000 shares of stock in Fidelity Insured Deposits, Inc. as collateral for
16 the promissory note. It was represented to the elderly investor (84 years old) that Fidelity Insured
17 Deposits, Inc. was in the business of investing in insurance companies, and CDs, and that the
18 investments were federally insured. The contracts were signed by Ronald Reiswig as president and
19 Janet Reiswig as secretary of Fidelity Insured Deposits Inc.

20 8. In or about February of 2005 Ronald Reiswig, Janet Reiswig, Fidelity Insured Deposits,
21 Inc., and FEP, Inc., offered and sold an investment contract and note in California in the form of a
22 "Loan and Security Agreement" and "Promissory Note" in the amount of \$250,000, which created a
23 security interest in the property of Fidelity Insured Deposits, Inc., and FEP, Inc. It was represented to
24 the investor that Fidelity Insured Deposits, Inc., and FEP, Inc., were in the business of investing in
25 insurance companies, and CDs, and that the investments were federally insured. The Loan and
26 Security Agreement provided that if the investor died before the loan was repaid in full that the
27 remaining debt would be forgiven, although this provision was not explained or understood by the
28

1 investor. The investment contracts and note were signed by Ronald Reiswig as CFO and by Janet
2 Reiswig as Secretary of Fidelity Insured Deposits, Inc. and FEP, Inc.

3 9. In or about October of 2005 Ronald Reiswig, Janet Reiswig, and Fidelity Insured Deposits,
4 Inc., offered and sold an investment contract and note in California in the form of a “Loan and
5 Security Agreement” and “Promissory Note” in the amount of \$150,000, which purported to create a
6 security interest in the property of Fidelity Insured Deposits, Inc. It was represented to the investor
7 that Fidelity Insured Deposits, Inc. was in the business of investing in insurance companies, and CDs,
8 and that the investments were federally insured. The contracts were signed by Ronald Reiswig as
9 president and Janet Reiswig as secretary of Fidelity Insured Deposits, Inc.

10 10. The investments offered and sold by Ronald Reiswig, Janet Reiswig, Fidelity Insured
11 Deposits, Inc., and FEP, Inc., entitled “Security Contract”, “Promissory Note”, “Pledge of Shares Of
12 Stock” and “Loan and Security Agreement”, constitute securities in the form of investment contracts
13 and notes. The Department of Corporations has not issued a permit or other form of qualification
14 authorizing any person to offer and sell these securities in this state.

15 11. Ronald Reiswig, Janet Reiswig, Fidelity Insured Deposits, Inc., and FEP, Inc., offered
16 and sold securities by means of written and oral communications which included untrue statements of
17 material fact and which omitted to state material facts necessary in order to make the statements
18 made, in the light of the circumstances under which they were made, not misleading. The material
19 misstatements and omissions made to the elderly investor include the failure to disclose that Janet
20 Reiswig had filed Bankruptcy on or about September 6, 2000 on behalf of herself and “dba” FEP,
21 Inc. and that a Judgment was entered against Janet Reiswig on or about May 27, 1999 in the amount
22 of \$127,749.28 in a probate action entitled “In re the Matter of the Judson and Esther Ferentz Trust,
23 Orange County Superior Court case number 190779. They further failed to disclose that the court’s
24 statement of decision after trial in that action found that Janet Reiswig had breached her fiduciary
25 duty to avoid conflicts of interest while acting as a co-trustee of the trust by purchasing annuities on
26 behalf of the trust on which Janet Reiswig earned \$41, 937.00 in commissions, which she failed to
27 disclose to the beneficiary and that “there was a material and willful breach and defalcation of duty
28 by Janet S. Reiswig, acting as co-trustee”, that her conduct “rises to the level of felony conflict of

1 interest and felony unauthorized practice of law”, that “the breach of fiduciary duty is a fraud on the
2 part of Janet S. Reiswig” and “the Court finds that Janet S. Reiswig was a predator, taking advantage
3 of an elderly blind lady.”

4 12. Ronald Reiswig, Janet Reiswig, Fidelity Insured Deposits, Inc. and FEP, Inc. also failed to
5 disclose that on July 24, 2004 the California Department of Corporations had issued a Desist and
6 Refrain order against Ronald Edward Reiswig, Janet Sue Reiswig, Fidelity Insured Deposits, Inc.,
7 and FEP, Inc. ordering them to desist and refrain from the offer and sale of unqualified securities in
8 California and offering and selling securities by means of communications including untrue
9 statements of material fact and omission of material facts, and that said order was in effect at the time
10 the securities were sold in February of 2005. They further failed to disclose that Fidelity Insured
11 Deposits, Inc. lost money from its primary activities of advertising certificates of deposits at above
12 market rates and paying bonuses to customers, and that its only source of income came from FEP,
13 Inc. and the Reiswigs. Ronald Reiswig and Janet Reiswig also falsely represented that Fidelity
14 Insured Deposits, Inc. and FEP, Inc. were in the business of investing in insurance companies and
15 CDs and that the investments were insured by the government. Ronald Reiswig, Janet Reiswig,
16 Fidelity Insured Deposits, Inc., and FEP, Inc. also have refused and continue to refuse to return over
17 \$500,000 owed to the investor under the terms of the investment contracts and notes, which included
18 a promise to pay the mortgage payments on the investor’s residence, on which the investor had taken
19 out \$400,000 in equity loans on to purchase the securities described herein at the request of Janet and
20 Ronald Reiswig.

21 Based upon the foregoing findings, the California Corporations Commissioner is of the
22 opinion that Ronald Edward Reiswig, Janet Sue Reiswig, FEP, Inc., doing business as Family Estate
23 Insurance Services, and Fidelity Insured Deposits, Inc. engaged in the offer and sale of securities in
24 the form of investment contracts and notes entitled “Security Contract”, “Promissory Note”, “Pledge
25 of Shares Of Stock”, and “Loan and Security Agreement”. Those securities have not been qualified
26 under the California Corporate Securities Law of 1968, in violation of section 25110 of the
27 Corporations Code. Pursuant to section 25532 of the Corporate Securities Law of 1968, Ronald
28 Edward Reiswig, Janet Sue Reiswig, FEP, Inc. doing business as Family Estate Insurance Services,

1 and Fidelity Insured Deposits, Inc., are hereby ordered to desist and refrain from the further offer or
2 sale in the State of California of securities including but not limited to investment contracts and notes
3 unless and until qualification has been made under the law or unless exempt.

4 The California Corporations Commissioner is further of the opinion that Ronald Edward
5 Reiswig, Janet Sue Reiswig, Fidelity Insured Deposits, Inc., and FEP, Inc., doing business as Family
6 Estate Insurance Service offered and sold securities in the form of investment contracts and notes
7 entitled "Security Contract", "Promissory Note", "Pledge of Shares Of Stock", "Loan and Security
8 Agreement" by means of written and oral communications including untrue statements of material
9 fact and omission of material facts necessary to make the statements not misleading, in violation of
10 section 25401 of the Corporations Code. Pursuant to section 25532 of the Corporate Securities Law
11 of 1968, Ronald Edward Reiswig, Janet Sue Reiswig, Fidelity Insured Deposits, Inc., and FEP, Inc.
12 doing business as Family Estate Insurance Service are hereby ordered to desist and refrain from
13 offering or selling or buying or offering to buy any security in the State of California, by means of
14 any written or oral communication which includes an untrue statement of a material fact or omits to
15 state a material fact necessary in order to make the statements made, in the light of the circumstances
16 under which they were made, not misleading.

17 This Order is necessary, in the public interest, for the protection of investors and consistent
18 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

19
20 Dated: September 22, 2006
21 San Francisco, California

22 PRESTON Du FAUCHARD
23 California Corporations Commissioner

24 By _____
25 DOUGLAS M. GOODING
26 Senior Corporations Counsel for
27 ALAN S. WEINGER
28 Supervising Attorney