



JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

State of Utah  
Department of Commerce  
Division of Securities

FRANCINE A. GIANI  
*Executive Director*

JASON P. PERRY  
*Deputy Director*

WAYNE KLEIN  
*Director of Securities*

February 17, 2006

Torry C. Webb, President and CEO  
IDA Management Services, Inc.  
1128 Columbia Park Trail  
Richland, WA 99352-4856

Re: IDA Management Services, Inc. ("IDA") Request for No-Action Letter

Dear Mr. Webb:

The Utah Division of Securities ("Division") has reviewed your October 21, 2004 request for a no-action letter as well as additional documentation related to the request, which you provided to the Division in December 2005 and February 2006. Your request for a no-action letter from the Division is authorized by Section 61-1-25(5) of the Utah Uniform Securities Act ("Act") and Utah Administrative Code Rule R164-25-5.

Specifically, your letter requests a determination from the Division as to 1) whether the solicitation of IDA's proprietary product, the Individual Deductible Service Plan ("IDSP"), would constitute a violation under Utah securities law, in general; and 2) confirmation that the Division will not recommend enforcement action if IDA or its duly authorized agents and distributors thereof, solicit and sell IDSP in the state of Utah in accordance with the representations described in your letter and attachments.

Based upon the information filed with this office, and without taking a position as to whether the offer and sale of the IDSP constitutes a "security" under the Act, the staff of the Division will not recommend any enforcement or administrative action should the transactions proceed as outlined in your request.

This response does not purport to express any legal conclusions regarding the applicability of statutory or regulatory provisions of federal or state securities laws to the questions presented. It merely expresses the opinion of the Division staff on enforcement or administrative actions.

Mr. Torry C. Webb  
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As this recommendation is based upon the representations made to the Division, any different facts or conditions of a material nature might require a different conclusion. Furthermore, this no-action letter relates only to the transactions described above and will have no value for future similar transactions. Finally, the issuance of a no-action letter does not absolve any party from complying with the anti-fraud provisions contained in Section 61-1-1 of the Act.

Lastly, the Division recommends that IDA contact the Utah Departments of Financial Institutions, Consumer Protection, and Insurance to ensure that IDSP complies with Utah law in these areas.

Very truly yours,

WAYNE KLEIN, DIRECTOR  
UTAH DIVISION OF SECURITIES



George Robison  
Director of Compliance and Licensing

# IDA Management Services, Inc.

"Helping people work smarter...not harder!"®

Terry C. Webb

President and CEO

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October 21, 2004

L04-00004A

Benjamin N. Johnson  
Director of Corporate Finance  
Utah Department of Commerce  
Division of Securities  
P.O. Box 146760  
Salt Lake City, Utah 84114-6760

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Department of Commerce  
Division of Securities

SUBJECT: REQUEST FOR NO ACTION LETTER REGARDING THE INDIVIDUAL DEDUCTIBLE SERVICE PLAN IN THE STATE OF UTAH

References: (1) Document, T.C.Webb, CEO, to Utah Division of Securities, "IDSP Due Diligence Overview, Version 1.00," dated August 30, 2004.

In accordance with Utah Statue 61-1-25(5) *Record of registrations*, IDA Management Services, Inc. (IDA) is requesting the State of Utah Securities Division review our proposed activities within the State of Utah as described herein (and in the attached document) for the purpose of providing a "no-action letter" stating: (1) specifically whether or not the solicitation of IDA Management Services, Inc.'s proprietary product, the Individual Deductible Service Plan (IDSP), as described in the attached references, would constitute a violation under Utah securities law, in general; and (2) that the Division and/or appropriate securities authorities (for the State of Utah) will not recommend any enforcement action if IDA, or the duly authorized agents and distributors thereof, solicit and sell IDSP in the state of Utah in accordance with the product representations described in this letter and the attached references.

In an effort to facilitate the following summary explanation and assist the Division in the review of the IDSP, a comprehensive document (Reference 1 above) has been included which further contains private opinions from competent and qualified legal counsel, as well as no-action letters from the Securities Divisions of the States of Washington and Colorado. The enclosed document provides a detailed discussion and analysis of the relevant facts pertaining to the IDSP, as well as IDA's assessment of the IDSP relevant to applicable securities statutes and regulations.

To clarify the basis for this request; the majority of IDA's strategic partners maintain national sales personnel (independent and/or captive sales agents) which have a combination of professional insurance licenses and/or securities registrations. Many of IDA's proposed strategic partners also maintain broker-dealer status or a broker-dealer relationship (or affiliation) and the solicitation of any unregistered product or service, that would be deemed a securities product, would have a substantial adverse effect on the distributing organization and their agents.

Based upon the private opinions obtained from a variety of competent and qualified counsel, due diligence conducted over the past five years by our proposed strategic partners, and current no-action letters from various state securities regulators, IDA is confident the IDSP will not be deemed a securities product in the state of Utah; however, **as a matter of prudence**, IDA would

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like to be able to demonstrate a level of comfort to our strategic partners “prior” to the initiation of any sales activities in the state of Utah, that the State in fact does agree with our assessment that the sale and solicitation of the IDSP, as described herein, and in attached reference, does not present any violation under Utah securities law.

### **Executive Summary**

IDA Management Services, Inc., a Washington corporation, has developed the Individual Deductible Service Plan and is presently marketing the product through World Financial Group, Inc. (WFG), member of the Aegon Group, subsidiary of Aegon U.S.A., wholly-owned subsidiary of Aegon, N.V. (NYSE: AEG). IDA is presently negotiating with other organizations for the purpose marketing and distribution of the IDSP, in the state in Utah, including Banc of America, AMPAC Insurance Marketing Services, Inc., AAA and Allstate Insurance.

Current marketing activities are limited to the states of Washington, Oregon, California, Colorado and Illinois; the first five states in which IDSP sales activities were initiated and, all of which were preceded by appropriate letters of opinion and/or no action letters from general counsel or the appropriate state bodies. Present marketing activities (which were initiated in Washington and Oregon on April 21, 2002) are still active. This was conducted after WFG issued a formal Outside Business Authorization (OBA) exemption to the marketing CEO and applicable agents. The OBA was generated by WFG General Counsel upon conclusion of a fourteen month due diligence process, which included continual collaboration with IDA counsel, WFG General Counsel, and Aegon lead counsel.

To date, IDA (and Aegon/WFG) **has not received any** customer complaints in any capacity (legal or otherwise) regarding the IDSP or any aspect of the program, solicitation thereof, and/or performance including (WFG) agents in the field, customer service activities, or solicitation practices. IDA attributes this success to IDA’s mandatory “training and orientation” process agents are required to complete immediately after appointment to IDA and prior to initiating field activities. Provided in conjunction with the training and orientation process, is a descriptive and detailed 50 page agent’s manual covering all aspects of the program, features and benefits, applicable provisions and conditions, fees, expenses, and acceptable marketing practices.

As evidenced by the aforementioned opinions, approvals, operational history, and performance to date, the principals and management of IDA anticipate no adverse effect upon public interest by the granting of a no-action letter as requested.

### **Objective**

In conjunction with WFG executive officers and general counsel, IDA wishes to expand its marketing activities to include the state of Utah and, as a matter of prudence, wishes to seek a no-action letter from the appropriate securities authorities in the State of Utah indicating that no action will be taken against IDA for solicitation and sales activities pertaining to the IDSP in accordance with the description stated herein and in the attached document and letters of opinion. Again, as evidenced by the various private opinions and current no-action letters included in the attached reference, IDA is does not believe the IDSP will conflict with Utah

securities law in any capacity; however, because the concept and product is new, IDA feels it is prudent to seek the State's opinion via a no-action letter prior to the initiation of any sales activity.

The original IDSP Letter of Opinion (Page 9 of the attached document), prepared by Lukens and Annis, P.S., (Lukens) of Spokane, WA, has been internally reviewed (by IDA) in light of applicable Utah statutes. IDA has not identified any exceptional securities issues or anomalies (in any capacity) that would indicate the IDSP could or would be considered and/or deemed a security; and is prepared to move forward in the state of Utah at this time, pending a no-action letter from the appropriate securities authorities in the State of Utah.

**Conclusion**

Recognizing the workload and limited resources of various state authorities, IDA is seeking to obtain a no-action letter as expeditiously as possible in order to plan, with our strategic partners, firm target dates for initiation of sales activities within the State of Utah. As a result, IDA is fully prepared to assist the State by any means necessary, including personal appearances, within 24 to 48 hours of request or notice to facilitate and/or assist the state in the review process.

I would offer that any question the State may have may be sent directly to me via email, at the address on this letterhead, in addition to formal letter and/or telephone calls.

Thank you for your time and guidance in this matter.

**Certification**

The undersigned hereby certifies that, to the best of his or her knowledge, operations including the solicitation and/or sale of the IDSP as described and proposed herein and in any attached reference is not directly or indirectly the subject of any pending judicial or administrative action in any jurisdiction within the United States or any foreign country; and that no business activities have been initiated within the State of Utah.

Sincerely,



Torry C. Webb, CEO  
IDA Management Services, Inc.

tcw

Encl: Document: IDSP Due Diligence Overview, Version 1.00," dated August 30, 2004.