



## **II. JURISDICTION**

1. The Securities Commissioner has jurisdiction over this matter pursuant to S.C. Code Ann. § 35-1-601(a).

## **III. RESPONDENT**

2. The Respondent was, between October of 2016 and November of 2016 (the “Relevant Time Period”), a resident of the State of South Carolina. The Respondent was, during the Relevant Time Period, registered with the Division as an investment adviser representative. The Respondent has been registered as an investment adviser representative with the Division since August of 2015. Prior to that time, between 2003 and 2004 and again between 2006 and 2007, the Respondent was registered with the Division as an agent affiliated with a broker-dealer.

3. The Respondent is also registered with the South Carolina Department of Insurance as an insurance producer affiliated with Greenville Wealth Management (“GWM”).

## **IV. FINDINGS OF FACT**

6. Future Income Payments, LLC (“FIP”) was a Delaware limited liability company with a registered agent, Agents and Corporations, Inc., located at 1201 Orange Street, Suite 600, One Commerce Center, Wilmington, Delaware 19801.

7. Scott Kohn was the sole owner and manager of FIP.

8. FIP’s business model revolved around the sourcing and sale of retirees’ recurring income from pension benefits.

9. FIP sought out pensioners who were in need of additional income (the “Pensioners”). FIP would offer Pensioners a lump sum of money or 7.

10. In order to raise the money to purchase the pension str

16. On April 4, 2019, the Division published an Order to Cease and Desist against Scott Kohn and FIP.<sup>1</sup>

17. After spending six months as a fugitive, Scott Kohn was captured by U.S. Marshalls on a San Diego, California beach on September 21, 2019.

## **V. CONCLUSIONS OF LAW**

23. The FIP Product is a security, pursuant to S.C. Code Ann. § 35-1-102(29).
24. The FIP Product was neither registered with the Division, nor exempt from registration, pursuant to S.C. Code Ann. § 35-1-201.
25. The Respondent offered and sold a security, which was neither registered with the Division, nor exempt from such registration, in violation of S.C. Code Ann. § 35-1-301.
26. Offering or selling a security that is neither registered with the Division nor exempt from such registration constitutes a willful failure to comply with the Act, pursuant to S.C. Code Ann. § 35-1-412(d)(2).
27. The Respondent acted as an agent in connection with the offer and sale of a security in South Carolina, as defined by S.C. Code Ann. § 35-1-102(2).
28. The Respondent was neither registered as an agent with the Division, nor exempt from such registration in violation of S.C. Code Ann. § 35-1-402(a).
29. Acting as an agent in connection with the offer and sale of a security, without being registered with the Division as such or exempt from registration, constitutes a willful failure to comply with the Act, pursuant to S.C. Code Ann. § 35-1-412(d)(2).
30. The Respondent's two violations of the Act provides the basis for this order.
31. This order is appropriate and in the public interest, pursuant to the Act.

## **VI. ORDER**

**NOW THEREFORE**, pursuant to S.C. Code Ann. § 35-1-604(a)(1), it is hereby **ORDERED** that:

- a. The Respondent and every successor, affiliate, control person, agent, servant, and employee of the Respondent, and every entity owned, operated, or indirectly or directly controlled by or on behalf of the Respondent, shall **CEASE AND DESIST** from transacting securities business in this State in violation of the Act; and
- b. The Respondent shall pay a civil penalty in the amount of twenty thousand dollars (\$20,000.00).
- c. The Respondent has disgorged the Commissions to the investor. Because of the Respondent's remedial efforts, the civil penalty ordered in section (b), *supra*, is hereby **SUSPENDED**.
- d. The Respondent expressly consents and agrees that his registration with the Division as an investment adviser representative is hereby **REVOKED** and that he is **PERMANENTLY BARRED** from participating in any aspect of the securities industry in or from the State of South Carolina.

Upon execution by the Securities Commissioner, this Consent Order resolves Matter Number 20201773 as to the Respondent.

As part of this Consent Order, the Respondent agrees that he: (i) will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegation in this Consent Order or creating the impression that this Consent Order is without factual basis; and (ii) will not make or permit to be made any public statement to the effect that the Respondent does not admit the allegations, without also stating that the Respondent does not deny the allegations. If the Respondent breaches this agreement, the Securities Commissioner may vacate

