

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF SOUTH CAROLINA**

IN THE MATTER OF:

Daniel L. Glazier,

Respondent.

**CONSENT ORDER
Matter No. 20191504**

I. PRELIMINARY STATEMENT

Pursuant to the authority granted to the Securities Commissioner of South Carolina (the “Securities Commissioner”) under the South Carolina Uniform Securities Act of 2005 (the “Act”) and delegated to the Securities Division of the Office of the Attorney General (the “Division”) by the Securities Commissioner, the Division conducted an investigation into the securities-related activities of Daniel L. Glazier (“Glazier” or the “Respondent”), and in connection with its investigation, the Division has determined that the Respondent violated the Act.

Without admitting or denying the findings of fact and conclusions of law set forth below, except as to the jurisdiction of the Securities Commissioner over the Respondent and the subject matter of this proceeding, which are admitted, the Respondent, having been advised of his right to counsel, expressly consents to the entry of this Consent Order, which resolves the allegations against him set forth herein. The Respondent elects to waive permanently any right to a hearing and appeal under S.C. Code Ann. § 35-1-609, with respect to this Consent Order.

II. JURISDICTION

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

III. THE RESPONDENT

2. The Respondent was, during the relevant time period, a resident of the State of South Carolina.

3. The Respondent has never been registered as an investment adviser representative or a broker-dealer agent.

4. The Respondent is registered with the South Carolina Department of Insurance as an insurance producer.

IV. FINDINGS OF FACT

5. 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.

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

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

8. FIP sought out pensioners who were in need of additional income (the “Pensioners”). FIP would offer Pensioners a lump sum of money or a loan for an assignment of all or a portion of their pensions for a set period of time.

9. In order to raise the money to purchase the pension streams, FIP offered the income from the pension streams (the “FIP Product”) to investors seeking consistent returns for their investments (collectively the “Investors;” individually an “Investor”).

10. FIP was able to locate large numbers of the Investors through a network of insurance agents and investment adviser representatives (the “FIP Agents”).

11. FIP compensated the FIP Agents with transaction-based compensation.

12. Various consumer protection and regulatory agencies investigated and brought lawsuits against FIP in response to its scheme. *See, e.g., Commonwealth of Virginia Ex Rel. Mark R. Herring, Attorney General v. Future Income Payments, LLC, et al.*, Civil Action No. CL18000527-00 (Hampton County, March 6, 2018); *Illinois v. Future Income Payments, LLC*, No. 2018CH000142 (7th Judicial Circuit Sangamon County, April 18, 2018); *State of Minn. v. Future Income Payments, LLC et al.*, No. 27-CV-17-12579 (City. of Hennepin Dist. Ct., Sep. 26, 2017); and *In re Future Income Payments, LLC* (N.Y. Dept. Fin. Serv. Oct. 20, 2016).

13. By April 2018, FIP could not sustain the scheme, and the scheme collapsed. The Investors ceased receiving the income from the FIP Product.

14. On March 12, 2019, Scott Kohn and FIP were indicted by a federal grand jury in the District of South Carolina. *United States v. Scott A. Kohn and Future Income Payments, LLC* (6:19-cr-000239-CRI, March 12, 2019). Among various charges, the indictment alleged that “[a]s state regulators began prohibiting FIP from operating in various states and pensioners struggled under a usurious payment regime imposed on them, FIP diverted new investor funds flowing into the business to fund payments to earlier investors to keep the scheme and artifice operational. In this manner, the investment program operated by FIP was a ‘Ponzi scheme[,]’” and “[t]he operation of the scheme and artifice surrounding FIP allowed [Kohn] to live a lavish lifestyle.”

15. On April 4, 2019, the Division published an Order to Cease and Desist against Scott Kohn and FIP.¹

¹ In the matter of Future Income Payments, LLC; FIP, LLC; and Scott A. Kohn – Order to Cease and Desist (4/4/2019), <http://2hsvz0l74ah31vgcm16peuy12tz.wpengine.netdna-cdn.com/wp-content/uploads/2019/04/Order-to-Cease-and-Desist-4.5-01935944xD2C78.pdf>

16. After spending six months as a fugitive, Scott Kohn was captured by U.S. Marshalls on a San Diego, California, beach on September 21, 2019.² He has been charged with conspiracy to commit wire fraud and mail fraud. He is currently awaiting trial.

17. The Respondent operated as one of the FIP Agents in South Carolina.

18. The Respondent sold a FIP Product to a South Carolina Investor for \$252,432.00. FIP paid the Respondent approximately \$17,000.00 in sales commissions.

V. CONCLUSIONS OF LAW

19. The FIP Product constitutes a security, pursuant to S.C. Code Ann. § 35-1-102(29).

20. The FIP Product was not registered with the Division.

21. The Respondent offered and sold securities, which were neither registered with the Division, nor exempt from such registration, in violation of S.C. Code Ann. § 35-1-301.

22. The Respondent acted as an agent, as defined by S.C. Code Ann. § 35-1-102(2), in connection with the offer and sale of securities in South Carolina.

23. 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).

24. Acting as an agent in connection with the offer and sale of securities, 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).

25. The Respondent's violation of the Act provides the basis for this order.

VI. ORDER

² Brown, Kirk. "[U.S.] Marshals capture Scott Kohn, accused in Greenville of preying on veterans and investors." *The Greenville News*, 23 Sept. 2019, <https://www.greenvilleonline.com/story/news/local/2019/09/23/marshals-capture-scott-kohn-accused-sc-preying-veterans/2418273001/>. Accessed 1 July 2020.

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 **CEASE AND DESIST** from transacting business in this State in violation of the Act, and, in particular, §§ 35-1-301 and 35-1-402 thereof; and
- b. The Respondent shall pay disgorgement in the amount of \$12,000.00 to the Respondent's client, who, at his advice, invested in FIP. The Respondent shall pay the entire sum over a period of eighteen months. The Respondent shall make the first payment, in the amount of \$3000.00, on February 15, 2021. Thereafter, beginning on March 15, 2021, the Respondent shall make monthly payments of \$500.00, due on the 15th of each month until he has paid the \$12,000.00 in full. Payment not received within five (5) days of the due date will be considered past due and place the Respondent in default of this Consent Order. In the event of default, the Securities Commissioner will, at his discretion, have the ability to vacate this Consent Order. In addition, the Division will have the ability to pursue further action as permitted by the Act.
- c. The Respondent expressly consents and agrees 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 20191504 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 of this Consent Order, or that this Consent Order contains no admission of the allegations, without also stating that the Respondent does not deny the allegations. If the Respondent breaches this agreement, the Securities Commissioner may vacate this Consent Order. Nothing in this paragraph affects the Respondent's: (i) testimonial obligations or (ii) right to take differing legal or factual positions in litigation or other legal proceedings.

This Consent Order should not be interpreted to waive any (i) criminal cause of action, (ii) private cause of action that may have accrued to investors as a result of the activities detailed in the Order to Cease and Desist, or (iii) other causes of action that may result from activities of the Respondent not detailed in the Order to Cease and Desist.

ENTERED, this the 11 day of February 2021

ALAN WILSON
SECURITIES COMMISSIONER


By: Alan Wilson
ALAN WILSON
Securities Commissioner
State of South Carolina

Respondent Daniel Glazier:

Dan Glazier

Date: 1-5-2021

South Carolina Attorney General's Office Securities Division:

By: 
Jonathan B. Williams
Assistant Deputy Attorney General

Date: 1/15/21