

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

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)	
IN THE MATTER OF:)	
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Charles “Chuck” D. Oliver; and The)	ORDER TO CEASE AND DESIST
Hidden Wealth Solution f/k/a The)	
Hidden Wealth System;)	Matter No. 20223692
)	
Respondents.)	
_____)	

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, S.C. Code Ann. §35-1-101, *et seq.* and the regulations and rules promulgated thereunder (collectively, the “Act”), and delegated to the Securities Division of the Office of the Attorney General of the State of South Carolina (the “Division”) by the Securities Commissioner, the Division conducted an investigation into the securities-related activities of Charles “Chuck” D. Oliver (“Oliver”) and The Hidden Wealth Solution f/k/a The Hidden Wealth System (“HWS”) (collectively, the “Respondents”), and in connection with its investigation, the Division has determined that Respondents violated the Act.

II. JURISDICTION

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

III. RELEVANT PERIOD

2. Except as otherwise expressly stated, the conduct described herein occurred between approximately January 1, 2013, and April 30, 2018 (the “Relevant Period”)

IV. RESPONDENTS

3. Oliver is a resident of the State of Florida. He has been licensed in South Carolina as an insurance producer since 2007 (License No. 8859682). The Respondent has never been registered with the Division in any capacity.

4. HWS is an unincorporated entity owned and operated by Oliver. HWS is located in Florida. Through HWS, Oliver purports to provide a number of financial planning services, including insurance products. HWS is not an insurance licensee in South Carolina, and it has never been registered with the Division in any capacity.

V. 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 (the “FIP Investors”).

10. FIP was able to locate large numbers of FIP 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 FIP Investors ceased receiving the income from the FIP Product.

14. On March 12, 2019, 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

16. After spending six months as a fugitive, Kohn was captured by U.S. Marshals on a San Diego, California beach on September 21, 2019.² He was charged with conspiracy to commit wire fraud and mail fraud. On August 18, 2022, Kohn pled guilty and was sentenced to 10 years in prison by the U.S. District Court for the District of South Carolina. He was also ordered to forfeit \$297 million.

17. During the Relevant Period, the Respondents operated as FIP Agents in South Carolina.

18. During the Relevant Period, the Respondents offered and sold the FIP Product to at least three South Carolina FIP Investors in six transactions. These three South Carolina FIP Investors invested \$1,271,150.00 in the FIP Product. For these sales, the Respondents were paid over \$70,000 in commissions.

19. During the Relevant Period, Respondents were not registered with the Division as broker-dealers or agents, and they were not exempt from such registration.

VI. CONCLUSIONS OF LAW

20. Paragraphs 1 through 18 are incorporated by reference as though fully set forth herein.

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

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>

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.

22. The FIP Product was neither registered with the Division, nor exempt from registration, pursuant to S.C. Code Ann. § 35-1-201.

23. The Respondents offered and sold a security, which was neither registered with the Division, nor exempt from such registration, at least six times in violation of S.C. Code Ann. § 35-1-301.

24. 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).

25. The Respondents acted as a broker-dealer and/or agent at least six times in connection with the offer and sale of a security in South Carolina, as defined by S.C. Code Ann. § 35-1-102(2).

26. The Respondents were neither registered as a broker-dealer and/or agent with the Division, nor exempt from such registration in violation of S.C. Code Ann. § 35-1-402(a).

27. Acting as a broker-dealer and/or 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).

28. The Respondents' twelve violations of the Act provide the basis for this order.

29. This Order is appropriate and in the public interest, pursuant to the Act.

VII. ORDER

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

- a. Each of the Respondents and every successor, affiliate, control person, agent, servant, and employee of each of the Respondents, and every entity owned,

operated, or indirectly or directly controlled by or on behalf of each of the Respondents shall **CEASE AND DESIST** from transacting business in this State in violation of the Act; and

- b. The Respondents shall jointly and severally pay to the Division a civil penalty of one-hundred and twenty thousand dollars (\$120,000.00) if this Order becomes effective by operation of law, or, if a Respondent seeks a hearing and any legal authority resolves this matter, pay a civil penalty in an amount not to exceed ten thousand dollars (\$10,000.00) for each violation of the Act by the Respondent(s).

VIII. NOTICE OF OPPORTUNITY FOR HEARING

Each of the Respondents is hereby notified that it has the right to a formal hearing on the matters contained herein. To schedule a hearing, a Respondent must file with the Division within thirty (30) days after the date of service of this Order, a written Answer specifically requesting a hearing. If any Respondent requests a hearing, the Division, within fifteen (15) days after receipt of a written request, will schedule a hearing for that Respondent. The written request shall be delivered to the Office of the Attorney General, 1000 Assembly Street, Columbia, South Carolina 29201, or mailed to the Office of the Attorney General, Attention: Securities Division, P.O. Box 11549, Columbia, South Carolina 29211-1549.

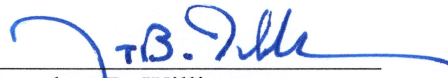
In the written Answer, a Respondent, in addition to requesting a hearing, shall admit or deny each factual allegation in this Order, shall set forth the specific facts on which the Respondent relies, and shall set forth concisely the matters of law and affirmative defenses upon which the

Respondent relies. If the Respondent is without knowledge or information sufficient to form a belief as to the truth of an allegation, the Respondent shall so state.

Failure by a Respondent to file a written request for a hearing in this matter within the thirty-day (30) period stated above shall be deemed a waiver by that Respondent of the right to such a hearing. Failure by a Respondent to file an Answer, including a request for a hearing, shall result in this Order's becoming final by operation of law. The regulations governing the hearing process can be found at S.C. Code of Regulations § 13-604.

This Order does not prevent the Division or any agency from seeking additional remedies as are available under the Act, including remedies related to the offers and sales of securities by the Respondents set forth above.

ENTERED, this the 20th day of December, 2024.


Jonathan B. Williams
Assistant Deputy Attorney General