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**IN THE DISTRICT COURT OF THE THIRD JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR CANYON COUNTY**

STATE OF IDAHO, DEPARTMENT OF
FINANCE, SECURITIES BUREAU,

Plaintiff,

vs.

RONALD R. HILL,

Defendant.

Case No. CV14-21-00899

**STIPULATION AND CONSENT TO ENTRY OF
JUDGMENT**

Plaintiff the State of Idaho, Department of Finance (the "Department" or "Plaintiff"), and Ronald R. Hill ("Defendant"), parties to the above-captioned action, agree to entry of judgment against Defendant, pursuant to the following Stipulation.

STIPULATION

Plaintiff and Defendant hereby stipulate to the following:

1. Plaintiff and Defendant request this Court to enter judgment in the form and substance set forth in the Judgment and Permanent Injunction filed concurrently herewith (the "Judgment"). In the event the Judgment is not entered pursuant to this Stipulation, this

Stipulation shall be of no effect whatever, and the making of this Stipulation shall be without prejudice to any party in this or any other proceeding.

2. Defendant is a licensed insurance agent and has never been registered to sell securities.

3. In 2016 and 2017, Defendant solicited three Idahoans (the "Idaho Investors") to invest with a company called Future Income Payments, LLC ("FIP").

4. FIP represented its product as a structured cash flow investment. FIP claimed to use investor funds to purchase pension payments at a discount from pensioners and then to sell those pension payments to investors (the "FIP Investment"). FIP generally promised investors a 6% to 8.75% rate of return on their FIP Investment.

5. In 2017, Defendant sold \$1,760,618 in FIP Investments to the Idaho Investors. Defendant received a total of \$77,430.45 in commissions in connection with these transactions.

6. In April 2018, within a year of Defendant's sales of the FIP Investment to the Idaho Investors, FIP ceased operation. In a March 12, 2019 indictment in the U.S. District Court for the District of South Carolina, the United States charged FIP and its owner, Scott A. Kohn, with conspiracy to engage in mail and wire fraud related to FIP's operations. FIP is currently in a liquidation receivership in South Carolina.

7. The Idaho Investors have not received most of the stream of payments promised from FIP or a return of the principal invested.

8. FIP founder, Kohn, was a convicted felon for fraud. In 2006, Kohn pled guilty to trafficking counterfeit computer equipment and was sentenced to serve 15-months detention in federal prison.

9. FIP also had an extensive history of legal challenges by state regulators, consumer protection groups, and pensioners who claimed the pension-stream purchases were usurious, unenforceable, and otherwise unlawful. The Complaint, filed by the Plaintiff on February 1, 2021, in this action, paragraphs 21.a through 21.k, details those various legal proceedings.

10. Defendant did inadequate due diligence prior to recommending these investments to the Idaho Investors. Defendant was not aware of the felony conviction for the FIP founder and did not disclose it to the Idaho Investors. Defendant was not aware of the many legal actions against FIP and did not disclose them to the Idaho Investors.

11. In its Complaint, paragraphs 45 and 46, the Plaintiff details numerous material misrepresentations and omissions by Defendant during the sale of the FIP Investments to the Idaho Investors.

12. In its Complaint, the Plaintiff asserted that the FIP Investment was a security, pursuant to Idaho's Uniform Securities Act (2004) (the "IUSA"), Idaho Code § 30-14-102(28) (see "investment contract"), and was unregistered and non-exempt. As such, the Plaintiff asserted that Defendant violated four provisions of the IUSA: (1) sale of unregistered, non-exempt securities in violation of Idaho Code § 30-14-301; (2) acting as an unregistered broker in violation of Idaho Code § 30-14-401; (3) acting as an unregistered investment adviser in violation of Idaho Code § 30-14-403; and (4) making material misrepresentations and omissions to the Idaho Investors regarding the FIP Investment in violation of Idaho Code § 30-14-501(2) (collectively, the "Securities Violations").

13. Defendant neither admits nor denies the Securities Violations. Defendant, however, agrees that he shall not deny or contest the Securities Violations in any present or

future: (a) bankruptcy proceeding, or (b) non-criminal proceeding in which the Department is a party (collectively, "proceeding(s)"). Defendant further agrees that in any such proceedings, the Securities Violations may be taken as true and correct and that this Stipulation and its related Judgment (collectively, the "Stipulation & Judgment") shall collaterally estop them from re-litigating with the Department or any other state agency, in any forum, the accuracy of the Securities Violations. In the event Defendant or Defendant's spouse pursues bankruptcy protection in the future, Defendant further agrees that in such bankruptcy proceeding, pursuant to 11 U.S.C. § 523(a)(19), the following circumstances exist:

- a. The obligations incurred as a result of this Stipulation & Judgment are a result of the conduct set forth above and are for the violation of Idaho state securities laws, pursuant to 11 U.S.C. § 523(a)(19)(A)(i);
- b. This Stipulation & Judgment constitutes a judgment, order, consent order, or decree entered in a state proceeding pursuant to 11 U.S.C. § 523(a)(19)(B)(i), a settlement agreement entered into by Defendant pursuant to 11 U.S.C. § 523(a)(19)(B)(ii), and/or a court order for damages, fine, penalty, citation, restitution payment, disgorgement payment, attorney fee, cost or other payment owed by Defendant pursuant to 11 U.S.C. § 523(a)(19)(B)(iii).

14. Defendant agrees to pay a penalty of \$15,000 to Plaintiff, as set forth in the Judgment.

15. Defendant agrees to repay the commissions received from his sales of the FIP Investments to the Idaho Investors, which amount is \$77,430.45 and will be paid to Plaintiff, as set forth in the Judgment. However, Defendant also owes the repayment of those commissions

to the FIP Receiver, so any repayment of such commissions to the FIP Receiver will be credited as an offset against the amount owed to the Plaintiff.

16. Defendant agrees that he will not attempt to register under the IUSA (i.e., as an Investment Adviser, Investment Adviser Representative, Broker-Dealer, Broker-Dealer Agent, or Issuer Agent) for two years from the entry of Judgment in this matter. After those two years have passed, if all of the above commissions and penalties, i.e. the Judgment, have been paid in full (including interest on the Judgment), then Defendant may apply for registration. Defendant also agrees that (1) in any future application seeking to register as a solo Investment Adviser firm under the IUSA, he will have to agree to engage a third-party compliance firm to conduct an annual audit encompassing all books and records for each of the five years after registration, and (2) he will not apply for registration as an Issuer Agent.

17. Defendant agrees that he will not further violate the IUSA.

18. For any offers or sales of securities from or into Idaho, Defendant agrees to not claim the availability of, use, or offer or sell securities under any exemptions under the IUSA and/or federal law without giving prior written notice to the Director of the Department. Said written notice shall be provided at least 10 (ten) days in advance of the proposed activities in Idaho.


19. In the event Defendant commits future violations of the IUSA or fails to adhere to the terms of this Stipulation & Judgment, Defendant acknowledges the Department can incorporate the allegations giving rise to this Stipulation & Judgment in any future proceeding.

20. By signing and entering into this Stipulation, and further agreeing to the entry of the Judgment, Defendant waives his rights to a hearing and/or trial on the alleged violations in

the Complaint. Defendant admits that he has had adequate opportunity to review this matter with his attorney, and Defendant agrees that this Stipulation and Judgment is entered into freely and voluntarily and that no promise was made or coercion used to induce such entry.

21. The Department agrees to forego any claim for costs, attorney fees, and reimbursement for investigative efforts in this action pursuant to Idaho Code § 30-1442(3)(c), and also agrees to forego any additional penalties against Defendant related to this action. Defendant agrees to bear his own attorney fees and costs in this action.

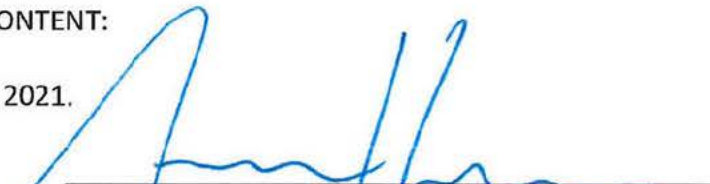
DATED this 19 day of August, 2021.



RONALD R. HILL
Defendant

APPROVED AS TO FORM AND CONTENT:

DATED this 19th day of August, 2021.



AARON HOOPER
Attorney for Defendant Ronald R. Hill

DATED this 20 day of August, 2021.

DEPARTMENT OF FINANCE
STATE OF IDAHO



PATRICIA HIGHLEY
Securities Bureau Chief

APPROVED AS TO FORM AND CONTENT:

DATED this 20th day of August 2021.

STATE OF IDAHO
OFFICE OF THE ATTORNEY GENERAL

A handwritten signature in black ink, appearing to read "Loren K. Messerly". The signature is fluid and cursive, with a long horizontal stroke at the bottom.

LOREN K. MESSERLY
Deputy Attorney General
Attorney for the Plaintiff