BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

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| In the matter of,<br><br>WILLIAM B. DOAN,<br><br>Respondent. | CONSENT ORDER TO CEASE AND DESIST<br><br><br><br>DFI Case No. S-233859 (EX) |

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**I.**

The Administrator of the State of Wisconsin, Department of Financial Institutions, Division of Securities ("Division"), having legal authority and jurisdiction to administer and enforce the Wisconsin Uniform Securities Law, Wis. Stats. Ch. 551 ("Ch. 551") and rules and orders promulgated thereunder, and having determined that this action is necessary and appropriate in the public interest and for the protection of investors, hereby enters this Order as follows:

**II.**

Division staff have presented evidence sufficient for the Administrator to make the following findings of fact and conclusions of law:

**A. Findings of Fact**

**Respondents**

1. William B. Doan ("Doan") is an adult male resident of Grafton, Wisconsin. Doan owns and operates an informal insurance business known as Assured Retirement and Estate Planning. From 1994 to 2002, Doan was a registered representative (CRD# 2478348) in the State of Wisconsin. At no time during the transactions described below was Doan registered with the Division in any capacity.

**Conduct**

2. Future Income Payments, LLC (FIP) is a limited liability company formerly known as Pensions, Annuities, and Settlements, LLC (PAS) and is fully owned and controlled by Scott A. Kohn. PAS was organized under the laws of the State of Nevada effective April 13, 2011.

3. According to FIP brochures, FIP is a factoring company that specializes in secondary market pension income streams sold by individuals who need lump sum cash.

4. FIP actively recruited pension holders (described as "sellers" in FIP brochures) who found themselves in acute financial distress and needed money. In exchange for the pensioner selling, assigning, or promising to pay monthly pension payments to FIP, the pensioner received a lump sum payment or loan. The adjusted annual percentage rate on these transactions was often excessive.

5. Various state regulators have forbidden FIP from doing business in their states based on findings the transactions with the pensioners lacked the features of a sale, and/or were instead more accurately described as usurious loans, and/or were offered by an unlicensed entity.

6. Through a network of investment advisors and insurance agents, FIP solicited investors (described as "buyers" or "purchasers" in FIP brochures) to purchase "structured cash flows" (i.e., pensioner monthly pension payments). FIP represented that its structured cash flows would provide higher rates of return than traditional fixed income products. It further represented that the investors would receive a consistent and predictable income.

7. MAF is a retired nurse who resides in South Milwaukee. MAF is an unaccredited investor.

8. MAF's husband, JF, passed away on October 31, 2017. Shortly after JF's death, Doan met with MAF at her home to discuss how to invest the proceeds of JF's life insurance policy and other financial matters.

9. Doan reached out to the office of Joseph Hipp, who works for FIP and Scott Kohn, to inquire about structured settlements. Hipp's office referred Doan to Scott Naughton of Houston, Texas who works with or for Hipp. Naughton and Doan discussed structured settlements generally as well as the specific FIP offerings. At no time was Doan an employee of FIP, or its predecessors.

10. Based on what he learned about FIP offerings from Naughton, Hipp and the FIP website, Doan advised MAF to invest her money in FIP with the goal of receiving monthly payments that would replace her husband's social security check.

11. Based on Doan's advice and representations, on December 18, 2017 MAF executed a FIP, LLC Non-Qualified Purchase Agreement (FR#5099), writing a check in the amount of $120,000 made payable to Faw Casson law firm as escrow agent, to purchase four income streams which collectively would give her $1,429.10 per month for 10 years. This amounts to a return of principal and interest of $171,492.

12. On February 12, 2018, MAF executed a second FIP, LLC Non-Qualified Purchase Agreement (FR#5179), writing another check in the amount of $40,000 made payable to Faw Casson law firm as escrow agent to purchase three income streams which collectively would give MAF approximately $817.64 per month for five years. This amounts to a return of principal and interest of $49,058.

13. MAF received monthly payments from her FIP investments on January 28, February 28, and March 28 of 2018, and then all payments stopped.

14. After MAF informed Doan that her payments had stopped, Doan attempted to assist MAF by informing the Wisconsin Department of Justice about her transactions with FIP and providing relevant documents.

**B. Conclusions of Law**

**Legal Authority and Jurisdiction**

15. The Administrator has legal authority and jurisdiction over the conduct described above, pursuant to Wis. Stats. Ch. 551 and the rules and orders promulgated thereunder.

16. The FIP purchase agreements were investment contract securities as defined under Wis. Stat. § 551.102(28).

17. FIP was an "issuer" as defined under Wis. Stat. § 551.102(17).

18. Doan was an agent of FIP as defined under Wis. Stat. § 551.102(2).

19. Pursuant to Wis. Stat. § 551.402(1), it is unlawful for an individual to transact business in this state as an agent unless the individual is registered as an agent or is exempt from registration as an agent under Ch. 551.

**Violations**

20. Through the conduct described above, Doan violated Wis. Stat. § 551.402(1) when he transacted business in Wisconsin as an agent without being registered or exempted from registration under Ch. 551.

**III.**

21. In view of the above findings of fact and conclusions of law, the Administrator deems it necessary and appropriate in the public interest and for the protection of investors, and pursuant to its legal authority and jurisdiction under Ch. 551, to wit Wis. Stat. § 551.604, to issue the following order and notices:

**A. Consent Orders issued pursuant to Wis. Stat. § 551.604(2)**

(a) IT IS ORDERED summarily that RESPONDENT, his agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of any RESPONDENT, shall cease and desist from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities qualify as covered securities or are registered under Ch. 551 or successor statute, pursuant to Wis. Stat. §§ 551.604(1)(a) and (2).

(b) IT IS FURTHER ORDERED summarily that all exemptions from registration set forth at Ch. 551 or successor statute that might otherwise apply to any offer or sale of any security of or by the RESPONDENT, his agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of the RESPONDENT, are hereby revoked, pursuant to Wis. Stats. §§ 551.604(1)(b) and (2).

(c) IT IS FURTHER ORDERED summarily that RESPONDENT, his successors, affiliates, controlling persons, officers, agents, servants, employees and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of RESPONDENT, are prohibited from violating Wis. Stat. § 551.501 or successor statute.

(d) IT IS FURTHER ORDERED summarily that RESPONDENT, his successors, affiliates, controlling persons, officers, agents, servants, employees, and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of RESPONDENT, are prohibited from violating Ch. 551 or successor statute that might otherwise apply to any offer or sale of a security of or by RESPONDENT.

(e) PLEASE TAKE NOTICE that the consent orders of the Administrator are effective as of the issuance of this order, pursuant to Wis. Stat. § 551.604(2).

**B. Service of Order**

(f) IT IS FURTHER ORDERED that this order shall be sent promptly by certified mail to each party named in the order at his or her last known address or to the party's attorney of record, or shall be personally served upon the party or the party's attorney of record, pursuant to Wis. Admin. Code§ DFI-Sec. 8.06.

(g) PLEASE TAKE NOTICE if this order is sent by certified mail, then the date of the service of this order is the date it is placed in the mail. If this order is personally served, then the date of service is the date that personal service is completed.

**C. Notifications**

(h) PLEASE TAKE NOTICE that this Order consented to by Respondent prohibits Respondent from transacting securities business in the State of Wisconsin pursuant to the terms of the orders issued pursuant to Wis. Stat. § 551.604(2).

(i) PLEASE TAKE FURTHER NOTICE that this Order is effective on the date it is issued. You are advised that any willful violation of an Order issued by the Division under Ch. 551 is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.

EXECUTED at Madison, Wisconsin, and effective on this 13th day of September, 2019.

Leslie M. Van Buskirk
Administrator

Division of Securities
State of Wisconsin
Department of Financial Institutions
4822 Madison Yards Way
North Tower, 4th Floor
Madison, Wisconsin 53705

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

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| | |
|---|---|
| In the matter of,<br><br>WILLIAM B. DOAN<br><br>Respondent. | WAIVER AND CONSENT TO ORDER<br><br>DFI Case No. S-233859 (EX) |

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The undersigned Respondent, WILLIAM B. DOAN, having decided not to contest the issuance of the attached Order, hereby waives his right to a hearing with respect to this matter, including waiving findings of fact and conclusions of law as may otherwise be required for the Order, and hereby consents to the issuance of the Order. Respondent reserves all defenses for any proceedings not covered by this consent order.

Respondent hereby acknowledges that, in exchange for Respondent's voluntary consent and agreement to cease and desist from further violations of Ch. 551, the revocation of certain exemptions, and other conditions as described in the attached Order, the Division agrees to forgo further legal action, and to resolve this matter by issuance of the attached Order.

The undersigned Respondent understands and agrees that the attached Order shall prohibit Respondent from transacting any securities business in the State of Wisconsin except as allowed and described by the terms of the Order.

The undersigned Respondent understands the Order, when signed by the Administrator of the Division of Securities, is effective on the date issued and that a willful violation of an Order signed by the Administrator is a criminal offense pursuant to Wis. Stat. § 551.508.

William B. Doan

WILLIAM B. DOAN

State of Wisconsin )
County of Ozaukee )
Subscribed before me this
30 day of August, 2019.

Amy Ellenson
Notary Public

AMY ELLENSON
Notary Public
State of Wisconsin

My commission is permanent/expires July 7, 2022

# State of Wisconsin

*Department of Financial Institutions*

Tony Evers, **Governor** | Kathy Blumenfeld, **Secretary**

**AFFIDAVIT OF SERVICE**
**AND COMPLIANCE WITH WIS. STAT. § 551.611**

STATE OF WISCONSIN )
) ss.
COUNTY OF DANE )

I, KATHERINE CLEMENTI, first being duly sworn, depose and state:

1. I am employed with the State of Wisconsin, Department of Financial Institutions, Division of Securities.

2. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be served by certified mail upon Respondent William B. Doan's counsel Attorney Jacob J. Curtis at his last known business address of 411 East Wisconsin Avenue, Suite 1000, Milwaukee, WI 53202:

   i. A copy of the signed Consent Order to Cease and Desist and signed Waiver and Consent to Order, DFI Case No. S-233859 (EX); and

   ii. A copy of this Affidavit of Service.

3. In compliance with Wis. Stat. §§ 227.48, 551.611, and 891.46; and Wis. Admin. Code. §§ DFI-Sec 8.06 and 8.07, I have also caused to be served copies of those same documents upon the Administrator for the Division of Securities.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Katherine Clementi
KATHERINE CLEMENTI

State of Wisconsin
Department of Financial Institutions
Division of Securities

Subscribed and sworn to before me

This 17th day of September, 2019.

Robin Jacobs

Notary Public, State of Wisconsin

My commission is permanent.

(Notary Seal)

ROBIN S. JACOBS NOTARY PUBLIC STATE OF WISCONSIN