

BEFORE THE SECURITIES COMMISSIONER
OF THE STATE OF KANSAS



In the Matter of:

Peggy A. Gollhofer

Docket No. 22 E 097

KSC No. 2016-6368

Respondent.

_____/

Pursuant to K.S.A. 17-12a604

CONSENT ORDER

1. The Staff of the Office of the Kansas Securities Commissioner (“KSC Staff”) allege that Peggy A. Gollhofer (“Gollhofer”) engaged in conduct constituting violations of the Kansas Uniform Securities Act, K.S.A. 17-12a101 *et seq.* (“the KUSA”), and that Gollhofer is subject to administrative sanctions and remedies under K.S.A. 17-12a604.
2. Gollhofer and KSC Staff desire to settle the matters raised by KSC Staff relating to Gollhofer’s alleged violations.

CONSENT TO JURISDICTION

3. Gollhofer and KSC Staff stipulate and agree that, under the KUSA, the Securities Commissioner of Kansas (“the Commissioner”) has jurisdiction over Gollhofer and this matter.
4. Gollhofer and KSC Staff stipulate and agree that the Commissioner has authority to enter this Order under K.S.A. 17-12a604.

WAIVER

5. Gollhofer waives her right to a hearing with respect to these matters.
6. Gollhofer waives any rights that she may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order.

CONSENT TO THE COMMISSIONER'S ORDER

7. Gollhofer and KSC Staff agree to the issuance of this Order without further proceedings in this matter, and agree to be fully bound by the terms and conditions specified herein.
8. Without admitting or denying the allegations made by the KSC Staff as reflected in the Findings of Fact and Conclusions of Law set forth below, Gollhofer agrees to the issuance of this Order on the basis of such Findings of Fact and Conclusions of Law solely and only for the purposes of this proceeding and any proceeding that may be brought to enforce the terms of this Order.
9. Gollhofer agrees to not take any action nor to make or permit to be made any public statement creating the impression that this Order is without a factual basis. Nothing in this Order affects Gollhofer's testimonial obligations or right to take legal or factual positions in defense or prosecution of litigation or other legal proceedings in which the Commissioner is not a party.

FINDINGS OF FACT

10. Gollhofer is an individual with a last-known address of [REDACTED]
[REDACTED]. Gollhofer is a licensed resident insurance agent in the

State of Kansas. Gollhofer has never been registered under the KUSA in any capacity.

11. From August 2014 through October 2017, Gollhofer participated in effecting the sale of Purchase Agreements between Future Income Payments, LLC (“FIP”) and eight clients. The Purchase Agreements were for a product commonly referred to as “Structured Cash Flows.” Gollhofer received commissions for her role in effecting the sale of the Purchase Agreements.
12. At the time of the sales, the Purchase Agreements were not registered as a security under the KUSA as required. Additionally, Gollhofer was not registered as an agent for FIP, as required by the KUSA.

FIP Investments

13. FIP is a Nevada limited liability company. Since at least 2011 through April 2018, FIP’s owner and president Scott A. Kohn (“Kohn”) used the company to perpetrate a nationwide Ponzi scheme. When FIP ceased doing business in April 2018, FIP owed approximately \$300 million to over 2,600 investors nationwide.
14. FIP was in the business of making lump sum payments or loans to individuals entitled to monetary disbursements from pensions, lotteries, annuities and other future income streams. In exchange for receiving these lump sum payments or loans, the recipients assigned all or a portion of their monetary disbursements from their future income streams to FIP. Individuals who assigned their future income

streams to FIP in exchanges for lump sum payments or loans were referred to as “original sellers.”

15. To raise funds for the lump sum payments or loans, FIP entered into Purchase Agreements with investors whereby FIP sold its interests in the future income streams to investors as what was commonly referred to as “Structured Cash Flows.”
16. Under the Purchase Agreements, FIP agreed to establish and maintain accounts to receive future income stream payments from the original sellers for distribution to investors. FIP further agreed to maintain a “shortfall account” and a “reserve account” to protect investors in the event original sellers defaulted on their obligation to remit their future income streams to FIP.
17. FIP generally promised investors a return of 6.5 to 8 percent under the Purchase Agreements with monthly payments to be paid to investors over a term of five to ten years.
18. FIP used independent sales agents to solicit purchases of the Purchase Agreements, which agents were paid commissions for each sale.
19. During the scheme, Kohn used new investor funds to pay fictitious returns or profits to previous investors. Further, Kohn used investor funds to pay commissions to agents who sold the Purchase Agreements to investors.
20. On March 12, 2019, FIP and Kohn were indicted by a federal grand jury in the District of South Carolina. On April 19, 2019, the United States District Court for the District of South Carolina appointed a receiver to manage the assets and

liabilities of FIP and Kohn. The FIP receivership is currently asserting legal and equitable claims against agents to recover commissions paid for the sale of the Structured Cash Flows.

Golliher and her Clients' Purchase Agreements

21. Golliher learned about FIP from Joseph A. McArdle (“McArdle”) and worked with McArdle to sell the FIP Purchase Agreements to their clients. Golliher and McArdle split the commissions they received for the sale of FIP Purchase Agreements to their clients.
22. From August 2014 through October 2017, eight of Golliher’s and McArdle’s clients purchased Purchase Agreements from FIP based upon Golliher’s and McArdle’s recommendation. Their clients invested a cumulative total of \$1,772,154.05 in Purchase Agreements with FIP. Golliher and McArdle received commissions from FIP of approximately five percent, totaling \$98,894.49, for their role in effecting the sale of the FIP Purchase Agreements. Golliher and McArdle evenly split these commissions, with Golliher and McArdle each receiving commissions totaling \$49,447.24.
23. At no time was Golliher registered as an agent of FIP under the KUSA.

CONCLUSIONS OF LAW

24. The Commissioner has jurisdiction over Gollhofer and this matter.
25. The Purchase Agreements described herein are securities as that term is defined in K.S.A. 17-12a102(28).
26. The Purchase Agreements are not federal covered securities, as that term is defined in K.S.A. 17-12a102(7), and are not exempt from registration under K.S.A. 17-12a201 through 17-12a203.
27. Gollhofer violated K.S.A. 17-12a301 by offering and selling the Purchase Agreements.
28. In effecting the sale of the Purchase Agreements, Gollhofer was an agent, as that term is defined in K.S.A. 17-12a102(2), of FIP, and was not exempt from registration under K.S.A. 17-12a402(b).
29. Gollhofer violated K.S.A. 17-12a402 by transacting business in this state as an agent when Gollhofer was neither registered under the KUSA nor exempt from registration.

ORDER

IT IS THEREFORE ORDERED that Gollhofer shall pay a civil penalty in the amount of \$7,500. Payment shall be made payable to the “Office of the Kansas Securities Commissioner,” and delivered to Jack Clayton Johnson, Assistant General Counsel, at 1300 SW Arrowhead Road, Topeka, KS 66604. Such payment shall be made within 30

days of the issuance of this Order. Upon receipt, such payment shall be deposited in the Investor Education and Protection Fund.

IT IS SO ORDERED BY THE COMMISSIONER.

Entered at Topeka, Kansas, this 28th day of February, 20 22,



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Daniel J. Klucas
Kansas Securities Commissioner

CONSENTED TO BY:

A handwritten signature in blue ink, appearing to be "Kathlyn Daniels", written over a horizontal line.

Kathlyn W. Daniels, Kansas Bar No. 28090
Attorney for KSC Staff

A handwritten signature in blue ink, appearing to be "Peggy A. Gollisher", written over a horizontal line.

Peggy A. Gollisher
Respondent

STATE OF Kansas)
) ss:
COUNTY OF Shawnee)

This instrument was signed before me on this 18 day of February, 20 22,
by Peggy A. Gollisher.

(seal)

A handwritten signature in blue ink, appearing to be "C Gunn", written over a horizontal line.

Notary Public

My appointment expires:



NOTICE

- (1) A party to this action may petition the Commissioner for reconsideration within 15 days after service of a final order, following the procedures in K.S.A. 77-529. Under K.S.A. 77-528, a party may petition for a stay of effectiveness of this order until the time at which a petition for judicial review would no longer be timely.

- (2) This decision may be subject to judicial review. The agency officer to receive service of a petition for judicial review on behalf of the Office of the Securities Commissioner is Jack Clayton Johnson, Assistant General Counsel, at 1300 SW Arrowhead Road, Topeka, Kansas 66604.