

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
GREENVILLE DIVISION**

In re Receiver for Scott A. Kohn, Future)
Income Payments, LLC, Joseph P. Hipp,) Civil Action No. 6:19-cv-01112-BHH
Kraig S. Aiken, and David N. Kenneally,)
)

**RECEIVER’S REPLY TO VALENCIA’S RESPONSE TO THE COURT’S ORDER
TO SHOW CAUSE**

Plaintiff Beattie B. Ashmore, in his capacity as Court-appointed Receiver for Scott A. Kohn, Future Income Payments, LLC, Joseph P. Hipp, Agent Alternatives, LLC and others (collectively “FIP”) (“Receiver”), by and through counsel, respectfully submits the following Reply in response to David Valencia’s (“Valencia”) response to the Court’s Order to Show Cause. The Receiver offers the following in reply.

Notwithstanding the insufficient arguments made by Valencia that he cannot be compelled by this Court to answer questions regarding his receipt of funds that flowed directly from the FIP Ponzi scheme, Valencia does not once cite to the very Court Order that allows the Receiver to conduct the investigation sought herein. Valencia, an FIP sales agent, fails to acknowledge the directive contained in the Court’s July 18, 2019, Order (with which he was served) which states the following: FIP sales agents “shall cooperate fully with the Receiver, including, if requested, appearing for deposition testimony and producing documents, upon two business days’ notice (which may be sent electronically or by facsimile). . . .” (ECF No. 9 at 9, ¶17.) Further, paragraph 15 sets forth circumstances that would, or at least, could apply to Mr. Valencia. (*Id.* at ¶15.) Lastly, paragraph 2 compels the

Receiver to investigate “the manner in which the affairs of the FIP Receivership Entities were conducted and institute such actions, legal and/or summary proceedings, for the benefit and on behalf of the FIP Receivership Entities....” (*Id.* at 5, ¶2.)

This Court’s Order gives the Receiver the authority to conduct discovery—a point that Valencia fails to address. However, rather than diminish Receivership assets litigating these issues, the Receiver will provide Valencia, through his counsel (as set forth in Valencia response at page 3, fn 2), with the requests for information necessary to commence his Court appointed responsibilities. Therefore, the Receiver respectfully requests that the Court hold this matter in abeyance pending the conclusion of the Receiver’s request for information of Valencia via his counsel and his compliance with the Court ordered production of information.

Respectfully submitted,

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