

Exhibit M

STATE OF SOUTH CAROLINA

IN THE COURT OF COMMON PLEAS

COUNTY OF RICHLAND

FOR THE FIFTH JUDICIAL CIRCUIT

Dolores Stegelin, Wayne Gugel and Anne H. Rack

Plaintiff(s),

Vs.

Chris Dixon, Black Harbor Wealth Management, LLC, Faw Casson & Co., LLP, ShurWest LLC, Agee, Fisher, Barret, LLC, MJSM Financial, LLC, Melanie Schulze-Miller, Securian Financial Group, Inc., Minnesota Life Insurance Company, and Minnesota Mutual Companies, Inc.

Defendants.

Civil Action No:

AMENDED SUMMONS

(Jury Trial Demanded)

YOU ARE HEREBY SUMMONED and required to answer the Amended Complaint in this action, a copy of which is hereby served on you, and to serve a copy of your Answer to the said Complaint upon the subscribers at 1329 Blanding Street, Columbia, South Carolina 29201, within thirty (30) days after service hereof, exclusive of the day of such service, and if you fail to answer the Complaint within the time aforesaid, judgment by default will be rendered against you for the relief demanded in such Complaint.

Respectfully submitted,

s/ Robert G. Rikard

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Defendants.

Civil Action No:

AMENDED COMPLAINT
(Jury Trial Demanded)

Plaintiffs bring this Complaint against Defendants Chris Dixon, Black Harbor Wealth Management, LLC, (Chris Dixon and Black Harbor Wealth collectively referred to as "Dixon") and Faw Casson & Co., LLP (referred to as "Faw Casson"), Agee Fisher Barrett, LLC (referred to as "Agee Fisher"), Shurwest, LLC ("Shurwest"), MJSM Financial, LLC, Melanie Schulze-Miller ("Miller"), Minnesota Life Insurance Company, Securian Life Insurance Company, and Minnesota Mutual Companies, Inc.

NATURE OF THE ACTION

1. This action seeks redress for the Plaintiffs who were harmed by Dixon's Professional Services related to the sale of life insurance products, and/or health and disability insurance, and/or Dixon's retirement and/or financial planning activities related to the sale of insurance products. Dixon provided retirement planning advice to

Plaintiffs. As an insurance agent and agency, Dixon's retirement planning advice involved the recommendation of insurance products.

2. Upon information and belief, Dixon, with the advice, recommendation, and education provided by Shurwest and Miller, recommended that Plaintiffs purchase universal life insurance policies that would be funded at a target level. When fully funded, those policies were intended to provide a death benefit and would have an accumulated value that would allow policyholders to supplement their retirement income by borrowing against the policy, or receiving portions of the accumulated cash value.

3. Upon information and belief, Dixon, with the advice, recommendation, and education provided by Shurwest and Miller, further advised Plaintiffs to fund their life insurance policies using funding mechanisms administered by third parties that were designed to allow them to fund those policies at a higher target level. (The "Life Insurance Retirement Strategy" a/k/a "IRA Reboot Program"). Upon information and belief, this strategy was formed with the direct advice of Shurwest and its National Sales Director for Life Insurance, Miller.

4. Upon information and belief, at the direction of Shurwest and Miller, Dixon recommended these funding mechanisms to Plaintiffs without adequately investigating or understanding the risks associated with those vehicles and further failed to communicate those risks to Plaintiffs.

5. Upon information and belief, Defendants Shurwest and Miller understood that Dixon was relying on Shurwest and Miller to conduct the due diligence investigation and otherwise evaluate the risks associated with the recommended funding mechanisms and the Life Insurance Retirement Strategy a/k/a IRA Reboot Program.

6. Miller visited Dixon and his staff in South Carolina to demonstrate, explain, and provide in-person illustrations regarding the Life Insurance Retirement Strategy a/k/a IRA Reboot Program.

7. Shurwest and/or Miller then invited Dixon and a member of his staff to attend a planning and strategy session at Shurwest's offices where Dixon was introduced to various members of the Shurwest team.

8. Shurwest and/or Miller paid for Dixon and his staff member's transportation, picked them up in a limo at the airport, and drove them to the Shurwest office.

9. At the Shurwest office, Dixon and a member of his staff were instructed on the entirety of the Life Insurance Retirement Strategy a/k/a IRA Reboot Program, and he met the members of Shurwest staff who would be assisting Dixon and his company with promoting and selling the Life Insurance Retirement Strategy a/k/a IRA Reboot Program.

10. Upon information and belief, Shurwest and Miller did not adequately perform the due diligence and investigation or knew of the risks associated with the recommended funding mechanisms and the Life Insurance Retirement Strategy a/k/a IRA Reboot Program and stayed silent when they had a duty to act.

11. However, Miller and Shurwest did provide Dixon with what was alleged to be due diligence on this plan. See **Exhibit 1**. Obviously, this "due diligence" was woefully inadequate.

12. Defendants Agee Fisher and Faw Casson were the conduits of Plaintiffs' monies going to the funding mechanisms of the Life Insurance Retirement Strategy

a/k/a IRA Reboot Program. The subsequent failure of these funding mechanisms to provide the funds needed to fund the life insurance policies purchased by Plaintiffs has caused Plaintiffs to suffer substantial losses of the funds they dedicated to the Life Insurance Retirement Strategy a/k/a IRA Reboot Program and placed their life insurance policies at risk of lapse.

13. Upon information and belief, Shurwest, Miller, Faw Casson, and Agee Fisher knew or should have known of the pitfalls of the recommended funding mechanisms.

14. Faw Casson and Agee Fisher were presented as intermediaries and as “the escrow agent” for FIP to assist in the deployment of Plaintiffs’ assets in accordance with the Life Insurance Retirement Strategy a/k/a IRA Reboot Program.

15. Shurwest, Miller and Dixon’s Life Insurance Retirement Strategy a/k/a IRA Reboot Program of recommending Plaintiffs use particular funding mechanisms to pay premiums on their life insurance policies was negligent in the sale, attempted sale and/or servicing of the life insurance policies.

16. Shurwest, Miller and/or Dixon either knew or should have known that using these vehicles to fund the life insurance policies purchased by Plaintiffs was not an appropriate part of the Life Insurance Retirement Strategy a/k/a IRA Reboot Program. Shurwest, Miller and/or Dixon violated their duties to Plaintiffs by recommending that they employ this method to fund their life insurance policies.

17. Shurwest, Miller and/or Dixon’s Life Insurance Retirement Strategy a/k/a IRA Reboot Program was the negligent rendering or failure to render proper financial planning advice in connection with the sale, attempted sale or servicing of life

insurance. Furthermore, Shurwest, Miller and Dixon's financial planning activities offered in conjunction with the sale, attempted sale, or servicing of life insurance policies were the negligent rendering or negligent failure to render financial planning advice to the Plaintiffs.

18. One funding mechanism utilized by Defendants was through the use of "structured cash flows" sold by Future Income Payments, LLC, f/k/a Pensions, Annuities and Settlements, LLC and FIP, LLC ("FIP").

19. FIP worked by having individuals such as Plaintiffs execute a process where they would pay a lump sum to FIP to purchase a monthly income stream that represented the total amount paid to FIP plus a pre-determined rate of return, which depended on the term of the structured cash flow. For example, a policyholder might pay FIP \$100,000 to acquire a monthly income stream for a period of 3 years at a 5% rate of return. FIP paid higher returns for cash flows with longer terms.

20. Upon information and belief, Defendants received commissions or "referral fees" of 5% or higher on its sale, placement, or recommendation of FIP cash flows to individuals such as Plaintiffs

21. FIP funded the cash flows it sold to individuals such as Plaintiffs by "purchasing" future income from individual pensioners, including retired teachers, police officers, and military personnel. FIP offered pensioners up-front, lump-sum payments in exchange for receiving a portion of their monthly pension payments over a specific term, FIP would purchase these pension payments at a "discount," such that the total of the monthly payments made by the individual pensioners to FIP far exceeded the amount of

the lump-sum he or she received, amounting to an effective interest rate of nearly 100% in some cases.

22. Even though FIP characterized these transactions with pensioners as “purchases,” numerous state and federal regulators have investigated and determined that the deals were, in fact, loans. Those loans were unlawful transactions, as they were made by an unlicensed lender (FIP) at effective interest rates that violated state usury laws, without legally mandated disclosures. These regulatory actions resulted in numerous orders requiring FIP to cease and desist its pension advance operations in various states and municipalities.

23. As a result of this mounting regulatory pressure, FIP ceased collecting payments from pensioners or making payments to income stream purchasers in or about April 2018.

24. The following is a non-exclusive list of some of the regulatory actions taken against FIP in the past few years:

- The State of Colorado determined that FIP was making loans without proper licensure. In a January 2015 assurance of discontinuance, FIP agreed not to enter into any transactions in Colorado without first obtaining a supervised lender’s license and not to charge interest on their existing agreements in Colorado.
- In March 2015, the State of California issued a desist and refrain order against FIP, alleging that it engaged in the business of financial lending or brokerage without a license. In September 2015, FIP agreed not to engage in transactions in California without obtaining a license.
- In March 2016, FIP entered into an assurance of discontinuance with the Commonwealth of Massachusetts that it would not enter into any future agreements with Massachusetts residents and that it would not charge interest on its existing contracts with Massachusetts residents.
- In June 2016, FIP entered into a settlement with the State of North Carolina whereby it agreed to reform its existing North Carolina transactions and to ensure

that any future transactions with North Carolina residents would comply with the state's usury laws.

- In October 2016, FIP entered into a consent order with the State of New York, in which it agreed not to enter into any future transactions with New York residents and not to charge interest on its existing contracts with residents of New York.
- Under a December 2016 consent order with the State of Washington, FIP agreed not to enter into any transactions with Washington residents without obtaining a license and not to charge interest on its existing contracts with Washington residents.
- Under an assurance of compliance reached with the State of Iowa in December 2016, FIP agreed not to enter into any future transactions with Iowa consumers and not to charge interest on its existing contracts in Iowa.
- In February 2017, as noted above, the Los Angeles City Attorney filed suit against FIP for failing to obtain a license to lend, making usurious loans, failing to disclose the terms of the loans, falsely threatening defaulting borrowers with criminal liability if they failed to make their monthly payments, and making illegal and harassing phone calls to collect on defaulted loan payments.
- In May 2017, the Commonwealth of Pennsylvania issued a cease and desist order against FIP for engaging in the business of making loans without a license and charging usurious rates of interest.
- In August 2017, the State of Minnesota filed a court action alleging that FIP's actions violated Minnesota law, and seeking to enjoin FIP from continuing in those violations; to declare all FIP loans to be void and releasing Minnesota residents from any obligations incurred under those agreements; to force FIP to make restitution to any residents harmed by its practices; and to require FIP to pay civil penalties.
- In January 2018, the State of Oregon launched an investigation of FIP's practices.
- In February 2018, the Illinois Department of Financial and Professional Regulation issued a cease and desist order, providing that FIP cease making loans to Illinois residents and stop collecting on loans previously made to Illinois residents.
- In March 2018, the Commonwealth of Virginia sued FIP, alleging that it targeted elderly veterans and retired civil servants in a scheme that masquerades high-interest predatory loans as "pension sales."

- In April 2018, the State of Illinois asked the court to void FIP's deceptive contracts and sought restitution for Illinois residents who had contracted with FIP. The State also sought to prohibit FIP from marketing or offering loan services without being licensed in the state.
- In April 2018, the State of Maryland ordered FIP to stop making new pension advances and other loans to Maryland consumers, and it also required that FIP stop collecting on any existing advances or other loans.

25. The loss of the monthly income streams that individuals such as Plaintiffs purchased from FIP has been devastating. Those payments represented the only way that purchasers could recoup the funds used to execute the Life Insurance Retirement Strategy, and part of funding their life insurance policies and avoiding lapse, surrender charges, or other penalties.

26. Plaintiffs were not adequately advised or informed of FIP. Plaintiffs were advised that their money would be safe and secure.

27. Shurwest and Miller were the architects of the financial planning strategy a/k/a The IRA Reboot program involving FIP, promoted it to Defendants such as Dixon, and to Plaintiffs. These Defendants also clearly understood that the funds Plaintiffs paid to fund their life insurance needed to be protected and could not be subject to unreasonable risk of loss.

28. Despite this fact, Miller and Shurwest recommended the FIP funding strategy to Dixon knowing that Dixon was relying on their advice to advise Plaintiffs and knowing that Shurwest and Miller themselves did not conduct adequate due diligence and were negligent in their disregard of the numerous risks associated with the FIP cash flow transactions. As the regulatory actions against FIP make clear, the FIP cash flow product was inherently flawed and subject to serious risks that should have

prevented Defendants from recommending that Plaintiffs use it to fund their life insurance policies.

29. Shurwest, Miller, and Dixon either knew or should have known that the FIP product was not safe enough to justify using it as part of the financial planning strategy. In addition to the issues raised in the various regulatory actions, numerous other risks made these FIP transactions wholly inappropriate for use in the strategy. Shurwest, Miller, and Dixon violated their duties to the Plaintiffs by recommending that they use FIP cash flows to fund their life insurance policies.

30. Faw Casson and Agee Fisher aided and abetted Shurwest, Miller, and Dixon in the promotion of this strategy. Faw Casson and Agee Fisher both held themselves out to the public as the Escrow Agent for FIP, thus promoting a level of confidence in the FIP program when none should have been afforded.

THE PARTIES

31. Dolores Stegelin is a citizen and resident of Richland County, State of South Carolina.

32. Wayne Gugel is a citizen and resident of Oconee County, South Carolina and at all times relevant was residing in Oconee County, State of South Carolina.

33. Anne H. Rack is a citizen and resident of Anderson County, State of South Carolina.

34. Black Harbor Wealth Management, LLC (“Black Harbor”) is a corporation organized and existing in good standing under the laws of the State of South Carolina.

35. Upon information and belief, Chris Dixon (“Dixon”) is a citizen of the State of South Carolina and an insurance producer who identifies himself as a retirement

planner consultant. Defendant Dixon offers his advising, insurance, and retirement planning services to the general public and advised Plaintiffs.

36. Upon information and belief, Defendant Faw Casson is an entity organized and existing under the laws of Maryland and was the intermediate serving as an escrow agent for Plaintiff Gugel's investment in March of 2018 and Plaintiff Rack's investment in June of 2017.

37. Upon information and belief, Agee Fisher is an entity organized and existing under the laws of Georgia and was the intermediary serving as escrow agent for Plaintiff Gugel's investment in September 2016.

38. Upon information and belief, Defendant Faw Casson was the intermediate serving as an escrow agent for Plaintiff Stegelin's investment in or about May of 2017.

39. Upon information and belief, Defendant Shurwest is a corporation organized and existing under the laws of the State of Arizona. Shurwest markets, distributes, and advises insurance agents and investment advisors. Furthermore, Shurwest provides training with product education, operations, and marketing support to insurance agents and investment advisors.

40. In particular, Shurwest provided education, advice, and training to Dixon and created the Life Insurance Retirement Strategy a/k/a IRA Reboot Program that is the center of this lawsuit.

41. At all pertinent times, Schulze-Miller was an employee and/or agent of Shurwest, where she undertook and/or was tasked with marketing the Life Insurance Retirement Strategy a/k/a IRA Reboot Program to Shurwest affiliated agents across the country.

42. Upon information and belief, Defendant Miller is a citizen and resident of the State of Arizona and at all times complained of herein acted within the scope of her employment as National Sales Director for Life Insurance for Shurwest.

43. Defendant MJSM Financial, LLC, is an Arizona limited liability company organized in May of 2016 by Melanie Schulze-Miller. Its principal place of business is 2 East Congress Street, Suite 900, Tucson, Arizona 85701. Defendant Schulze-Miller is the sole member of the company. At all pertinent times, while Schulze-Miller was an employee and/or agent of Shurwest, she was also an officer, shareholder, employee and/or agent of MJSM, LLC, acting within the line of his duty and exercising the functions of her employment or agency. On information and belief, Schulze-Miller shared in the commissions from Plaintiff's FIP purchase through either Shurwest and/or MJSM, LLC, which is fully responsible and accountable for and jointly and severally liable for the acts and omissions of Schulze-Miller.

44. Defendant Securian Financial Group, Inc. ("Securian") is Delaware corporation with its headquarters in Saint Paul, Minnesota. Securian is the holding company of a group of affiliated companies including Defendants Minnesota Life Insurance Company ("MLIC") and Securian Life Insurance Company ("SLIC").

45. Defendant Minnesota Life Insurance Company ("MLIC") is a wholly owned subsidiary of Securian which is domiciled in the state of Minnesota. MLIC sells life insurance and annuity products including the policies and products described here. MLIC operates in 49 states of the United States not including New York.

46. Defendant Minnesota Mutual Companies, Inc. ("MMCI") is headquartered in the state of Minnesota. MMCI is the holding company parent of Securian, MLIC and

SLIC. MMCI is a mutual company owned by its “members”, including, indirectly, policyholders of its insurance subsidiaries products that confer “member” status upon the purchase of a policy such as the policies at issue herein.

JURISDICTION AND VENUE

47. The Court has subject matter jurisdiction over Plaintiffs’ claims for relief as the actions and omissions occurred in this County. These Defendants conducted business here in South Carolina, utilized agents in South Carolina, utilized the U.S. Mail, and Internet to promote the strategy described herein to Plaintiffs in South Carolina. Defendant Shurwest sent its employee, Miller, to South Carolina to advise and educate Dixon and his staff on the Life Insurance Retirement Strategy a/k/a IRA Reboot Program.

48. Venue of this case is proper in Richland County.

FACTUAL BACKGROUND

Life Insurance Retirement Strategy a/k/a IRA Reboot Program

49. Dixon provided Plaintiffs retirement planning advice in conjunction with the sale, attempted sale or servicing of insurance policies. Shurwest and Miller marketed this to Dixon and Plaintiffs as the IRA Reboot program.

50. Upon information and belief, at the behest of Shurwest and Miller, Dixon recommended that Plaintiffs implement the Life Insurance Retirement Strategy a/k/a IRA Reboot Program. As noted above, that strategy centered on the recommendation of a indexed universal life insurance (“IUL”) policy. In a universal life policy, any premium payments above the cost of insurance (the cost of the policy’s death benefit) are directed into an internal investment account by the insurance company. The value of

that investment account is referred to the accumulated value or “cash” value of the policy.

51. According to the Life Insurance Retirement Strategy a/k/a IRA Reboot Program recommended by Dixon, Miller and Shurwest, policyholders would make premium payments sufficient to raise the cash value of their policies to a target level, based on their available assets and retirement income needs. When fully funded, the cash value of these policies would be available for policyholders to access by taking out tax-free loans.

52. Policyholders would not have to pay back those loans during their lifetime, as the amount of the loans is limited to the policy’s cash value, and the insurance company uses the death benefit to pay off any accrued interest. Thus, these loans would act as a supplement to the policyholder’s retirement income.

53. Defendants, by and through Dixon, recommended that each Plaintiff commit a substantial amount of their hard-earned and irreplaceable financial assets to purchase these IUL policies which Defendant Dixon represented was appropriate for each of the Plaintiffs’ age, life expectancy, financial, and retirement needs.

54. Prior to recommending the IUL policy, Defendant Dixon either conducted no or an inadequate investigation and thus lacked sufficient information to properly evaluate the suitability of the IUL policy for each of the Plaintiffs.

55. Had Defendant Dixon and Black Harbor fulfilled their promise to conduct a careful analysis and properly investigate IUL policies before recommending them to Plaintiffs, these Defendants would have learned that it was grossly inappropriate for an individual who did not have an insurable need, especially given its substantial,

expensive continuing annual premium, including costs and fees, for an individual who was at age of each of the Plaintiffs where such an IUL product was prohibitively costly and unsuitable.

56. As a result of the Dixon and Black Harbor recommending this improper and unsuitable IUL product, Plaintiffs have invested a substantial amount of money in annual premium payments, and have a continuing obligation to make annual premium payments indefinitely or risk cancellation of the policy and further forfeiture of their hard-earned and irreplaceable financial assets.

57. Another feature of the Life Insurance Retirement Strategy a/k/a IRA Reboot Program recommended by Dixon, Miller, and Shurwest was the advice that Plaintiffs utilize funding mechanisms administered by third parties to achieve the target value of their life insurance policies.

58. Shurwest and Miller promoted and recommended to Dixon and Plaintiffs the use of FIP described herein.

59. Defendants Faw Casson and Agee Fisher received Plaintiffs monies as part of the funding mechanism. These Defendants served as escrow agents for FIP.

60. Faw Casson and Agee Fisher received monies from Plaintiffs and would disburse that money to the FIP seller, as well as would disburse monies as fees to FIP, and to third party agents and advisors as compensation.

61. As the architects of the Life Insurance Retirement Strategy a/k/a IRA Reboot Program, Miller, Shurwest, and Dixon should have clearly understood all risks associated with these funding mechanisms before recommending them to Plaintiffs as the preferred method for funding their life insurance policies.

62. Similarly, Defendants Faw Casson and Agee Fisher should have also understood the risks associated with these funding mechanisms before receiving and disbursing Plaintiffs' monies.

63. Defendants failed to conduct adequate due diligence regarding the funding mechanisms and/or disregarded known risks associated with these funding vehicles, in recommending them to Plaintiffs and in agreeing to be Plaintiffs' clearing house for money in the funding mechanisms.

64. Shurwest, Miller, and Dixon's Life Insurance Strategy was inappropriate and irresponsible and fell below the standard of care that Defendants owed to Plaintiffs. It placed Plaintiffs in a position where they could not independently fund the life insurance policy premiums.

65. Plaintiffs had to rely on funds processed through the third-party vehicles to reach target funding levels for their policies, which exposed Plaintiffs to unreasonable risk of loss and ultimately doomed the Life Insurance Retirement Strategy a/k/a IRA Reboot Program to failure.

66. Sadly, the risks that should have prevented Shurwest, Miller, and Dixon from recommending the Life Insurance Retirement Strategy a/k/a IRA Reboot Program and Faw Casson and Agee Fisher from accepting and disbursing Plaintiffs' monies have now materialized.

67. Plaintiffs are left without the ability to fund their life insurance policies and now face the risk of significant penalties and/or the lapse of their policies.

68. The conduct described herein has been financially devastating to Plaintiffs. The conduct of these Defendants has proximately caused the damages to these Plaintiffs as described herein.

FIRST CAUSE OF ACTION
(Negligence against Dixon Defendants, Miller, and Shurwest)

69. Plaintiffs re-allege and incorporate by this reference the preceding paragraphs of this Complaint as if fully set forth herein.

70. Shurwest, Miller and Dixon/Black Harbor offered financial and retirement planning advice in conjunction with the sale, attempted sale, or servicing of life insurance to Plaintiffs and thus owed Plaintiffs the clear duty to exercise reasonable care, skill, diligence and prudence.

71. Shurwest, Miller and Dixon breached that duty to Plaintiffs and acted with negligence by failing to conduct adequate due diligence on the Life Insurance Retirement Strategy a/k/a IRA Reboot Program recommended to Plaintiffs and failing to advise the Plaintiffs of the risks of that strategy.

72. Shurwest and Miller represented to Dixon and Plaintiffs that they had conducted due diligence on the Life Insurance Retirement Strategy a/k/a IRA Reboot Program, and it was a safe and proper strategy for these Plaintiffs.

73. As a direct and proximate result of Shurwest, Miller and Dixon's negligence, Plaintiffs suffered substantial financial losses.

74. Shurwest, Miller, and Dixon's acts and omissions constitute negligence and/or gross negligence because they constitute an extreme departure from what a reasonably careful person would do in the same situation to prevent loss of retirement income.

75. Plaintiffs are therefore entitled to compensatory damages and punitive damages.

SECOND CAUSE OF ACTION
(Breach of Fiduciary Duty as to Dixon Defendants, Miller and Shurwest)

76. Plaintiffs re-allege and incorporate by this reference the preceding paragraphs of this Complaint as if fully set forth herein.

77. Shurwest, Miller and Dixon presented themselves as experienced financial and retirement planners and, in coordination, provided financial and retirement-planning advice to Plaintiffs. Plaintiffs reposed their trust and confidence in Dixon and Dixon placed his confidence in Shurwest and Miller.

78. Shurwest's and Miller's advice, which Dixon accepted, provided the specific method as to how Plaintiffs should invest their assets for retirement. As such, Shurwest, Miller and Dixon undertook a fiduciary duty to Plaintiffs to act fairly and honestly, in good faith, and in the sole best interest of the Plaintiffs.

79. Dixon and Shurwest breached their fiduciary duty to Plaintiffs by failing to conduct adequate due diligence on the Life Insurance Retirement Strategy a/k/a IRA Reboot Program recommended to Plaintiffs.

80. As a direct and proximate result of the breach of fiduciary duty by Dixon, Miller, and Shurwest, Plaintiffs suffered substantial financial losses, and Plaintiffs are entitled to an award of actual and punitive damages.

THIRD CAUSE OF ACTION
Aiding and Abetting the Breach of a Fiduciary Duty as to Shurwest, Miller, Faw Casson, and Agee Fisher

81. Each and every allegation contained in the foregoing paragraphs is hereby re-alleged fully as if set out herein.

82. The people and entities that managed and recommended the funding mechanisms owed fiduciary duties owed to the Plaintiffs.

83. Upon information and belief, Shurwest, Miller, Faw Casson, and Agee Fisher had knowledge of the underlying fiduciary duty and the breach of fiduciary duty because these Defendants knew:

- a. Dixon and Black Harbor were the retirement advisors to Plaintiffs;
- b. The funding entity was receiving Plaintiffs' monies and owed fiduciary duties to Plaintiffs;
- c. Upon information and belief, FIP contracted with Shurwest, Miller, Faw Casson, and Agee Fisher and disclosed the investment vehicle;
- d. Upon information and belief, Shurwest, Miller, Faw Casson, and Agee Fisher knew the risks associated with FIP yet sat still and profited from it;
- e. The funding mechanism, upon information and belief, only could work with the assistance of Shurwest, Miller, Faw Casson, and Agee Fisher; and,
- f. The funding mechanism was an illiquid, unsecure, and risky transaction.

84. Based on the foregoing facts and circumstances, upon information and belief, Shurwest, Miller, Faw Casson, and Agee Fisher knew of the underlying breach of fiduciary duty, acted knowingly despite purporting to shut its eyes to avoid knowing what would otherwise be obvious about the underlying breach of fiduciary duty.

85. Upon information and belief, the actions of Shurwest, Miller, Faw Casson, and Agee Fisher aided and abetted and substantially assisted in the breaching fiduciary duties owed to the Plaintiffs by (i) providing a seemingly "legitimate" conduit through which investor funds could be transferred; (ii) processing self-dealing transactions with known fiduciary conflicts of interest; (iii) processing improper transactions; and (iv) processing transactions patently benefiting a fiduciary while clearly adverse to the best interests of the Plaintiffs, to whom fiduciary duties were owed.

86. Plaintiffs are therefore informed and believe that they are entitled to (1) actual damages, (2) consequential damages, (3) punitive damages, (4) attorney's fees,

(4) costs, (5) prejudgment interest at the highest legal rate, and (6) such other relief as is just, equitable, and proper.

FOURTH CAUSE OF ACTION
Negligence Against Dixon and Black Harbor

87. Each and every allegation contained in the foregoing paragraphs is hereby re-alleged fully as if set out herein.

88. Dixon and Black Harbor provided Plaintiffs retirement planning advice in conjunction with the sale, attempted sale or servicing of insurance policies.

89. Dixon and Black Harbor recommended that Plaintiffs implement the Life Insurance Retirement Strategy a/k/a IRA Reboot Program. As noted above, that strategy centered on the recommendation of an indexed universal life insurance (“IUL”) policy. In a universal life policy, any premium payments above the cost of insurance (the cost of the policy’s death benefit) are directed into an internal investment account by the insurance company. The value of that investment account is referred to the accumulated value or “cash” value of the policy.

90. According to the Life Insurance Retirement Strategy a/k/a IRA Reboot Program recommended by Dixon and Black Harbor, policyholders would make premium payments sufficient to raise the cash value of their policies to a target level, based on their available assets and retirement income needs. When fully funded, the cash value of these policies would be available for policyholders to access by taking out tax-free loans.

91. Policyholders would not have to pay back those loans during their lifetime, as the amount of the loans is limited to the policy’s cash value, and the insurance

company uses the death benefit to pay off any accrued interest. Thus, these loans would act as a supplement to the policyholder's retirement income.

92. Dixon and Black Harbor recommended that each Plaintiff commit a substantial amount of their hard-earned and irreplaceable financial assets to purchase these IUL policies which Defendant Dixon represented was appropriate for each of the Plaintiffs' age, life expectancy, financial, and retirement needs.

93. Prior to recommending the IUL policy, Defendant Dixon either conducted no or an inadequate investigation and thus lacked sufficient information to properly evaluate the suitability of the IUL policy for each of the Plaintiffs.

94. Had Defendant Dixon and Black Harbor fulfilled their promise to conduct a careful analysis and properly investigate IUL policies before recommending them to Plaintiffs, these Defendants would have learned that it was grossly inappropriate for an individual who did not have an insurable need, especially given its substantial, expensive continuing annual premium, including costs and fees, for an individual who was at age of each of the Plaintiffs where such an IUL product was prohibitively costly and unsuitable.

95. As a result of the Dixon and Black Harbor recommending this improper and unsuitable IUL product, Plaintiffs have invested a substantial amount of money in annual premium payments, and have a continuing obligation to make annual premium payments indefinitely or risk cancellation of the policy and further forfeiture of their hard-earned and irreplaceable financial assets.

96. Plaintiffs are left without the ability to fund their life insurance policies and now face the risk of significant penalties and/or the lapse of their policies.

97. The conduct described herein has been financially devastating to Plaintiffs. The conduct of these Defendants has proximately caused the damages to these Plaintiffs as described herein.

98. The acts and/or omissions of Dixon and Black Harbor constitute negligence and/or gross negligence because they constitute an extreme departure from what a reasonably careful person would do in the same situation to prevent loss of retirement income.

99. The injuries to Plaintiffs were the direct and proximate result of the negligent and grossly negligent acts and omissions of the Defendants Dixon and Black Harbor, which entitle the Plaintiffs to recover compensatory and punitive damages in an amount to be determined by the trier of fact.

FIFTH CAUSE OF ACTION
Negligence as to Securian Financial Group, Inc., Minnesota Life Insurance Company, and Minnesota Mutual Companies, Inc.

100. Each and every allegation contained in the foregoing paragraphs is hereby re-alleged fully as if set out herein.

101. Securian, MLIC, & MMCI operates through its duly chosen agents and brokers (collectively "Agents"). Securian, MLIC, & MMCI exercises control over its Agents in the sale, funding and approval of Securian, MLIC, & MMCI insurance products by, including but not limited to, requiring its Agents to:

- a. follow specific guidelines in the sale of policies;
- b. fill out a Representative's Report;
- c. advise the purchaser of Minnesota insurance products that the Agent is acting on behalf of Minnesota;
- d. solicit and procure applications for insurance for Minnesota;
- e. remit all applications and premiums to Minnesota;
- f. service Minnesota policy holders; and

- g. conduct themselves with the highest principles of honesty, integrity, and pride.

102. As the principal for its Agents, Securian, MLIC, and MMCI are directly responsible and answerable for its Agents' actions.

103. Securian, MLIC, and MMCI's Agent, Defendant Dixon, provided insurance and/or retirement planning advice to Plaintiffs. As Agents of Securian, MLIC, and MMCI, its Agents' retirement and/or insurance planning advice involved the sale of Securian, MLIC, and MMCI insurance products.

104. With respect to the Plaintiffs, Dixon, as an Agent of Securian, MLIC, and MMCI, he recommended that Plaintiffs purchase indexed universal life insurance policies that would be funded at a target level (e.g., \$452,760 total insurance for Plaintiff Rack). When fully funded, Dixon indicated that those policies would provide a death benefit and would have an accumulated value that would allow policyholders to supplement their retirement income by borrowing against the policy.

105. Upon information and belief, both Securian, MLIC, and MMCI and FIP gave Minnesota's Agents, such as Dixon, commissions or "referral fees" of 5% or higher on its sale of IUL policies and FIP cash flows to Plaintiffs and a greater amount in commission for the sale of the Minnesota policy.

106. On information and belief, the information provided by Dixon as an Agent for Securian, MLIC, and MMCI on the applications for Minnesota policies submitted on behalf of the Plaintiffs incorrectly characterized the source of funds for these policies and failed to disclose that payment of the policy premiums involved the FIP cash flow product.

107. As described herein, FIP ceased collecting payments from pensioners or making payments to income stream purchasers in or about April 2018.

108. The loss of the monthly income streams that Plaintiffs purchased from FIP has been devastating. Those payments represented the only way that purchasers could recoup the funds used to execute the Life Insurance Retirement Strategy a/k/a IRA Reboot Program, and were essential to funding their Minnesota life insurance policies and avoiding lapse, surrender charges, or other penalties.

109. As such, Plaintiffs, relying upon Dixon, Shurwest, and Millers' due diligence and advice, expected that the FIP income streams they purchased would be safe and secure. Securian, MLIC, and MMCI and its Agents, as the architects of the Life Insurance Retirement Strategy a/k/a IRA Reboot Program, also clearly understood that the funds its customers dedicated to fund their life insurance needed to be protected and could not be subject to unreasonable risk of loss.

110. Securian, MLIC, and MMCI markets its products to consumers through its Agents. Minnesota knows that its Agents provide financial advice, insurance, and retirement planning services.

111. The Plaintiffs all sought financial advice or retirement-planning services from Securian, MLIC, and MMCI through its Agent, Dixon.

112. Securian, MLIC, and MMCI's agent, Dixon, recommended that Plaintiffs implement the Life Insurance Retirement Strategy a/k/a IRA Reboot Program. As noted above, that strategy centered on the purchase of a Minnesota universal life insurance policy.

113. Securian, MLIC, and MMCI's Agent, Dixon, universally indicated to Plaintiffs that the Agent "represents Minnesota Life with respect to the sale and service of this product," including in disclosing the source of funding to Minnesota and explaining to Plaintiffs all pertinent details of the strategy, suitability and other facets of the Life Insurance Retirement Strategy a/k/a IRA Reboot Program.

114. Securian, MLIC, and MMCI's agent, Dixon, recommended Plaintiffs use "structured cash flows" sold by FIP income streams to help fund their life insurance premiums as described herein.

115. On information and belief, Securian, MLIC, and MMCI and its Agent knew that the Plaintiffs' policies would not have been issued had the Agent properly disclosed that FIP cash flows were being utilized as the source of funding the policy premiums.

116. Dixon had not been an agent of Securian, MLIC, and MMCI until he was explained the IRA Reboot Program by Shurwest and Miller.

117. Once he learned of the program in 2016, Shurwest aided him in the application to become an authorized agent of Securian, MLIC, and MMCI.

118. Once he became an agent, Dixon began selling customers on the IRA Reboot Program, including Plaintiffs.

119. Upon information and belief, Dixon sold the IRA Reboot program to approximately 60 customers.

120. As a new agent for Minnesota he did the following:

- a. Began selling IUL products in 2016;
- b. Sold approximately 60 new IUL products for Minnesota in less than 24 months;
- c. The face amounts of the policies were unusual, atypical, and odd, i.e. they were not round numbers.

121. This was a phenomenon that was happening around the country for Securian, MLIC, and MMCI agents in record numbers during 2016, 2017, and 2018.

122. Either agents like Dixon, who were new, or existing agents were all selling a large volume of IUL policies for Securian, MLIC, and MMCI beginning in 2016. And, the policies all had odd face amounts, and all had the fingerprints of Shurwest and their employee and agent Miller on them.

123. In fact, upon information and belief, Miller had previously worked at Minnesota prior to joining Shurwest.

124. Securian, MLIC, and MMCI was so impressed with Dixon's sales numbers, that it sent a V.P. of Minnesota to personally meet him in South Carolina, and inquire as to what marketing help he needed from Securian, MLIC, and MMCI to increase his numbers.

125. Securian, MLIC, and MMCI undertook a duty to provide life insurance policies and exercise due care in the undertaking to provide said life insurance, for Plaintiffs. This duty must be performed with due care for the protection of Plaintiffs' interests.

126. Securian, MLIC, and MMCI also failed to exercise due care in the supervision of its agents and authorized promoters, such as Shurwest and Miller which harmed the Plaintiffs.

127. As described, Plaintiffs were caused to participate in the Life Insurance Retirement Strategy a/k/a IRA Reboot Program by Defendants Dixon, Shurwest, and Miller, which has caused financial and emotional harm to Plaintiffs.

128. Securian, MLIC, and MMCI failed to recognize unusual activity occurring regarding its IUL policies in the years 2016, 2017, and 2018, and in failing to recognize such an unusual pattern of activity, they were negligent in their duties owed to Plaintiffs.

129. This unusual activity consisted of, among other things, the following:

- a. A sudden increase in the volume of IUL polices being sold where Shurwest was the marketing organization;
- b. The face amounts of the policies were atypical, i.e. they were odd and not round numbers;
- c. The polices were being sold in large numbers by agents, like Dixon, who had no previous relationship with Securian, MLIC, and MMCI; and,
- d. The policies were being sold in an unusually large and quick sequence.

130. That as a proximate result of the above-described actions, Plaintiffs have suffered severe economic and emotional losses related to the loss of their retirement income as described herein.

131. The injuries to Plaintiffs were the direct and proximate result of the negligent and grossly negligent acts and omissions of the Defendants Securian, MLIC, and MMCI, which entitle the Plaintiffs to recover compensatory and punitive damages in an amount to be determined by the trier of fact.

SIXTH CAUSE OF ACTION

Negligent Misrepresentation as to Securian Financial Group, Inc., Minnesota Life Insurance Company, and Minnesota Mutual Companies, Inc.

132. Each and every allegation contained in the foregoing paragraphs is hereby re-alleged fully as if set out herein.

133. Agents of Defendants Securian, MLIC, and MMCI offered insurance and/or investment advice to the Plaintiffs and thus owed the Plaintiffs the clear duty to exercise reasonable care, skill, diligence and prudence.

134. Agents of Defendants Securian, MLIC, and MMCI breached that duty to the Plaintiffs and acted with negligence by failing to conduct adequate due diligence on the Life Insurance Retirement Strategy a/k/a IRA Reboot Program, and FIP cash flow product, and recommending that product to the Plaintiffs.

135. Agents of Defendants Securian, MLIC, and MMCI breached that duty to the Plaintiffs and acted with negligence by failing to conduct adequate due diligence on the Life Insurance Retirement Strategy a/k/a IRA Reboot Program, and FIP cash flow product, and by allowing that product to serve as a funding mechanism for the premium payments of the Minnesota policies to the Plaintiffs as described herein.

136. Defendants Securian, MLIC, and MMCI and its Agents further breached that duty by failing to characterize and disclose the source of funds and the use of FIP cash flows to fund Plaintiffs' Minnesota policies accurately.

137. Defendants Securian, MLIC, and MMCI and its Agents' acts and omissions constitute negligence and/or gross negligence because they constitute an extreme departure from what a reasonably careful person or company would do in the same situation to prevent loss of retirement income.

138. As a direct and proximate result of Defendants Securian, MLIC, and MMCI and its Agents' negligence, Plaintiffs suffered substantial financial losses which are now Defendant Minnesota's responsibility. Plaintiffs are entitled to actual and punitive damages.

139. The injuries to Plaintiffs were the direct and proximate result of the negligent and grossly negligent acts and omissions of the Defendants Securian, MLIC,

and MMCI, and its agent Dixon, which entitle the Plaintiffs to recover compensatory and punitive damages in an amount to be determined by the trier of fact.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs request that the Court enter an Order or judgment against Defendants as follows:

- A. Awarding Plaintiffs actual, consequential, and punitive damages and all other relief available under the claims alleged;
- B. Awarding Plaintiffs pre-judgment and post judgment interest as a result of the wrongs complained of herein at the highest rate allowed by law;
- C. Awarding Plaintiffs their costs and expenses in this litigation, including reasonable attorneys' fees and other costs of litigation;
- D. Awarding such other relief as the Court deems just and proper.

JURY DEMAND

Plaintiffs demand a trial by jury on all issues.

Respectfully submitted,

s/ Robert G. Rikard

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