

## Member Alert Regarding Alleged Predatory Pension Loan Businesses

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Persons receiving monthly pensions, including retired members of the Water and Power Employees' Retirement Plan, may be targeted by salespersons offering immediate cash in exchange for rights to future retirement or disability retirement payments. These pension loans, or "advances," may be offered with unlawful or unfair terms, including exceedingly high interest rates and fees. Some pension loan agreements may also require borrowers to purchase life insurance with the lender named as the beneficiary.

On February 16, 2017, Los Angeles City Attorney Mike Feuer filed a lawsuit against an individual and multiple companies allegedly involved in a predatory lending scheme targeting vulnerable California pensioners.

The City Attorney's lawsuit alleges that Scott Kohn, the owner and manager of a complex web of companies in California and across the country, including Cash Flow Investment Partners, LLC, Future Income Payments, LLC, London Square Specialty Services, LLC, Buysell Annuity, Inc., Pension Advance, LLC, and PAS California, LLC, marketed and issued predatory loans to retirees in need of money to pay for unexpected expenses, securing the loans with those individuals' pensions. Among other things, Kohn allegedly charged interest rates as high as 96%, far above California's 10% usury limit, and allegedly threatened borrowers (falsely) that defaulting on the loans could subject them to criminal liability. According to the lawsuit's allegations, Kohn also subjects pensioners in default to illegal and harassing debt collection practices, such as repeated telephone calls starting as early as 5:30 a.m.

City Attorney Feuer seeks, among other things, an injunction prohibiting Kohn from collecting on the predatory loans issued to California pensioners, as well as selling unlawful and fraudulent loans to California investors. In addition, the lawsuit seeks restitution for pensioners, as well as civil penalties.

If you or someone you know has been targeted by Scott Kohn or the companies listed above, or by companies who may be engaged in similar predatory pension loan businesses, please contact the Office of the Los Angeles City Attorney at [ATTpensions@lacity.org](mailto:ATTpensions@lacity.org) or call (213) 978-3347.