

1 **STATE OF CALIFORNIA**
2 **BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY**
3 **DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION**

4 **TO:** Reliant Life Shares, LLC
5 15260 Ventura Blvd., Suite 1200
6 Sherman Oaks, CA 91403

7 **DESIST AND REFRAIN ORDER**
8 **(For violations of section 25401 of the Corporations Code)**

9 The Commissioner of Financial Protection and Innovation (Commissioner) finds that:

10 1. The Department of Financial Protection and Innovation (Department) regulates the
11 offer and sale of securities in California under the Corporate Securities Law of 1968 (Cal. Corp. Code
12 §§ 25000-25707) (CSL).

13 2. At all relevant times, Reliant Life Shares, LLC (Reliant) is and was a California
14 limited liability company with a principal place of business at 15260 Ventura Boulevard, Suite 1200,
15 Sherman Oaks, California 91403.

16 3. Beginning at least as early as 2013 to the present date, Reliant has engaged in the
17 business of offering and selling securities in California in the form of fractional investments in life
18 settlement contracts.

19 4. Reliant provides potential investors with life expectancy estimates for the life
20 insurance policies under the life settlement contract investments being offered. If an insured under a
21 life settlement contract exceeds the estimated life expectancy, investors need to contribute additional
22 funds to pay the policy premiums to maintain the policy (a premium call). If premiums are not paid, a
23 life insurance policy will lapse and the death benefit, the source of investors' return, will be lost.
24 Exceeding life expectancy estimates also reduces investors' annualized return.

25 5. In connection with the offer or sale of these securities, Reliant and its agents made
26 untrue statements of material fact and material omissions to potential investors, including but not
27 limited to the following:

- 28 a. That the risk of a premium call was close to zero or just about nil, that 97% of policies
pay out on time, that policy payout periods would range anywhere from a few months

1 to a maximum of five years and that very seldom did Reliant have someone living past
2 the 5-year mark, and that the company was almost always right on life expectancy.
3 These statements misrepresented, or omitted material facts, about Reliant’s actual
4 performance.

5 b. Stating in Reliant’s sales materials that “The history of actual maturities for life
6 settlement policies shows that, like a bell curve, approximately half of all policies
7 mature before the estimated life expectancy date, and half after.” This statement
8 implied to investors that Reliant had the same performance when it did not.

9 Based on the foregoing findings, the Commissioner is of the opinion that Reliant offered or
10 sold securities in California by means of oral or written communications which included untrue
11 statements of material facts or omitted to state material facts necessary in order to make the
12 statements made, in the light of the circumstances under which they were made, not misleading, in
13 violation of Corporations Code section 25401.

14 ///
15 ///
16 ///
17 ///
18 ///
19 ///
20 ///
21 ///
22 ///
23 ///
24 ///
25 ///
26 ///

27
28

1 Pursuant to Corporations Code section 25532, Reliant is hereby ordered to desist and refrain
2 from offering or selling any security in California, including but not limited to fractionized
3 investments in life settlement contracts, by means of any written or oral communication which
4 includes an untrue statement of a material fact or omits to state a material fact necessary in order to
5 make the statements made, in the light of the circumstances under which they were made, not
6 misleading.

7 Pursuant to Corporations Code section 25403, subdivision (b), any person that knowingly
8 provides substantial assistance to another person in violation of any provision of this division or any
9 rule or order thereunder shall be deemed to be in violation of that provision, rule, or order to the same
10 extent as the person to whom the assistance was provided.

11 This Order is necessary, in the public interest, for the protection of investors, and is consistent
12 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

13 Dated: December 14, 2022
14 Los Angeles, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



15 By _____
16 MARY ANN SMITH
17 Deputy Commissioner
18 Enforcement Division
19
20
21
22
23
24
25
26
27
28