

STATE OF SOUTH CAROLINA )  
 ) IN THE COURT OF COMMON PLEAS  
COUNTY OF GREENVILLE ) 2016-CP-23-04824

In re: )  
 )  
Application of U.S. Annuity )  
Services, LLC and Alyson Rainey for )  
approval of Settlement Payment ) **TRANSCRIPT OF TESTIMONY**  
Rights Pursuant to S.C. Code )  
§15-50-60 )

September 15, 2016  
Greenville, South Carolina

B E F O R E:

HONORABLE CHARLES B. SIMMONS, JR., MASTER IN EQUITY

A P P E A R A N C E S:

Tucker E. Player, Jr., Esquire  
Attorney for the Plaintiff

*Wanda E. Fudge, CCR*  
*Court Reporter*

1 BY THE COURT: Are we ready to go on record?

2 MR. PLAYER: Yes, Your Honor.

3 BY THE COURT: Okay. This is 2016-04824, here on a proposed  
4 sale of a structured settlement. I have reviewed, of course, the  
5 file. So, be glad to hear from you.

6 MR. PLAYER: Yes, Your Honor. Tucker here -- Tucker Player  
7 -- I do have a last name -- here on behalf of U.S. Annuity  
8 Services, LLC. This is Alyson Rainey. Ms. Rainey is the  
9 beneficiary of an annuity that is to pay her three lump-sum  
10 payments: \$100,000 in January of 2031, \$145,000 due to her in  
11 2041, and \$350,000 due in 2051. Ms. Rainey wishes to transfer  
12 the payments of \$100,000 in '31 and \$145,000 in 2041 to my  
13 client. The total amount of the payments is \$245,000. That  
14 amount reduced to present-day value at a 1.8 discount rate is  
15 \$170,554.19, and she would receive a gross cash advance -- a  
16 total cash advance amount from my client of \$51,085.20.

17 She is 25. She does have one minor child, and she wishes to  
18 use this money to purchase a home. She's currently unable to  
19 qualify for traditional financing, and this is the only way that  
20 she can get the money sufficient to buy a home, because of credit  
21 issues. And she does believe that this will benefit her and her  
22 family immediately as the money is 15 and 25 years out  
23 respectively. And she's not selling all of it. She will still  
24 get the \$350,000 in 2051. We would ask the Court to approve this  
25 decision.

1 BY THE COURT: Let me ask you, because when I was looking  
2 through the file, typically on these, there's something that  
3 shows the effective interest rate if this was a credit  
4 transaction, and I'm probably butchering the right word. I  
5 didn't see it. Is it in there? I saw the present-day rate. Do  
6 you know what I'm talking about? Typically, there's---

7 MR. PLAYER: Yes, Your Honor.

8 BY THE COURT: Yes, ma'am.

9 MS. RAINEY: It's -- I can't remember exactly but it's 8.86  
10 or 8.36.

11 BY THE COURT: Okay.

12 MR. PLAYER: And I don't see that percentage in any of the  
13 documents that my client provided.

14 BY THE COURT: Isn't that correctly -- isn't that typically  
15 provided?

16 MR. PLAYER: No, Your Honor, not typically. They don't tell  
17 us that.

18 BY THE COURT: Okay. All right.

19 MR. PLAYER: We know what the discount -- how they reached  
20 the present-day value, that discount rate, but the interest rate  
21 is -- you have to calculate it -- because it's actually -- you  
22 have to take it as she's borrowing this money from herself,  
23 paying interest at that rate to somebody else for the money that  
24 she's borrowing from herself.

25 BY THE COURT: Okay.

1 MR. PLAYER: Typically, I don't -- I'm not privy to that.  
2 God knows, I couldn't figure it out on my own.

3 BY THE COURT: All right. Ms. Rainey, if you would raise  
4 your right hand.

5 ALYSON RAINEY, BEING FIRST DULY SWORN, TESTIFIED AS FOLLOWS:

6 BY THE COURT: And we'll keep this informal. I'm fine -- you  
7 can have a seat.

8 MS. RAINEY: Okay.

9 BY THE COURT: State your full name, please.

10 MS. RAINEY: Alyson Renee Rainey.

11 BY THE COURT: All right. Let me tell you what my job is in  
12 this. There's a statute or a law that this falls under that says  
13 that the Court, which is me today, has to make an independent  
14 determination that this sale is in your best interest. So, there  
15 are a series of questions that I need to go through with you.

16 First, you are how old?

17 MS. RAINEY: Twenty-five.

18 BY THE COURT: Do you reside in the Greenville area?

19 MS. RAINEY: Greer.

20 BY THE COURT: Okay. Are you employed?

21 MS. RAINEY: No, sir.

22 BY THE COURT: Okay. When is the last time you were  
23 employed?

24 MS. RAINEY: April; like the end of March, beginning of  
25 April of this year.

1 BY THE COURT: Okay. Why aren't you currently employed?

2 MS. RAINEY: I am expecting another child, and I am having a  
3 high-risk pregnancy.

4 BY THE COURT: Okay. Are you married or do you have someone  
5 who is residing with you?

6 MS. RAINEY: Yes, sir. I'm not legally married. I do have  
7 a fiancé and we live together.

8 BY THE COURT: Okay. And is he employed?

9 MS. RAINEY: Yes, sir.

10 BY THE COURT: And where does he work?

11 MS. RAINEY: He is an electrician. He's actually working --  
12 he works with a few different companies. He kind of like fills  
13 in here and there. But he makes \$18 an hour and usually works  
14 anywhere from 50 to 60 hours a week, bringing home \$7-, \$800 a  
15 week.

16 BY THE COURT: All right. And what occurred that resulted  
17 in this structured settlement years back?

18 MS. RAINEY: I was involved in an accident, not a car  
19 accident. I was rock climbing on like a make-shift rock climbing  
20 wall, and I climbed to the top of it and began to propel down and  
21 my rope broke and I fell 13 feet and ended up having eight  
22 compressed vertebrae and like had to learn how to walk again, was  
23 in a -- the best way I know to describe it, like a turtle-shell  
24 cast for about six weeks after I was finally discharged from the  
25 -- I was in the hospital for about four weeks, and then had to

1 wear that cast for about six weeks after that.

2 Mainly, I was -- it was in 2001, June 25<sup>th</sup> of 2001. So,  
3 obviously, I was in my -- I was only 11 years old. So, this was  
4 all set up by my parents and an attorney. The questions and  
5 things that I've asked my parents about it, I'm under the  
6 impression that I was awarded such a large amount of money  
7 because they predict -- they had a life predictor that was hired  
8 that took my injuries and in 10 years, 20 years, 30 years, "How  
9 is this going to affect her?" And pretty much, I guess, I got so  
10 much money because as I get older, it's going to get worse and  
11 worse; like I deal with chronic back pain on a daily basis. When  
12 it's raining outside, it's a lot worse. But they say that I  
13 should -- I might need to have surgery on my back by the time I'm  
14 40. But like I said, that was said back in 2001.

15 BY THE COURT: All right. At the time of the settlement back  
16 in 2,000 -- whatever it was -- did you or did your parents  
17 receive some amount of cash at that point?

18 MS. RAINEY: No, sir. My first -- the way they set it up,  
19 my parents and the lawyer, I guess, and MetLife -- well,  
20 actually, it was somebody else then -- but the way they set it up  
21 was when I turned 18, 19, 20 and 21, I was awarded \$10,000 those  
22 four years, and it was set up that way to pay for me to go to  
23 college. I have went to college -- I didn't go to college all  
24 four years. So, the first payment I got out of that was when I  
25 turned 18. So, as far as I know, none of my paperwork shows that

1 any money was awarded to anybody before that day.

2 BY THE COURT: All right. So, when you turned 18, you've  
3 received a total of \$40,000 since then?

4 MS. RAINEY: Over four years, yes, sir.

5 BY THE COURT: Okay. Have you gotten any other funds from  
6 it?

7 MS. RAINEY: The -- okay, so the first four years, those  
8 were the first payments. Then 20, 21 there was a payment due to  
9 me for \$75,000 that I sold two years ago -- maybe three years ago  
10 -- to J.G. Wentworth -- it was through this Courthouse. So, you  
11 might be able to pull up that paperwork. So, that's -- the first  
12 four and then that one is what's passed.

13 BY THE COURT: Well, the petition that was filed says you've  
14 not sold any funds. So, you're telling me you have sold funds  
15 before?

16 MS. RAINEY: Uh-huh (affirmative).

17 BY THE COURT: How much did you get from that sale?

18 MS. RAINEY: Like, 36,000-and-some-odd dollars.

19 BY THE COURT: Okay. What did you use that money for?

20 MS. RAINEY: Well, at the time I bought -- I didn't have a  
21 vehicle at that time. So, I bought a car which I'm still driving  
22 it and hope to drive it for a while. I also bought my  
23 stepdaughter a car. She is 17 now and she is driving that  
24 vehicle. I wrote a check to my mom for \$20,000 to put into a  
25 bank account that I do not have access to and that she cannot

1 withdraw from. It's like a -- not a money market account but --  
2 it's something that my son can access when he turns 18. Like,  
3 the account is set up in his name as my mom being like the  
4 overseer of the account.

5 BY THE COURT: All right. Tell me about -- the petition  
6 says that you want to buy a house. How far in the process have  
7 you gone with that?

8 MS. RAINEY: Okay. Well, that's kind of where I'm a little  
9 bit confused. I have just -- me and my fiancé have just recently  
10 bought a house, just moved into it this past weekend.

11 When I got the phone call -- I get phone calls from 100  
12 different companies all of the time, trying to get me, you know,  
13 to sell a payment, "Let's make a deal." "I can get you some  
14 great money." So, I deal with that 24/7. Well, when I got a  
15 phone call, I was not interested in selling any of my payments.  
16 When I got a phone call from this company, it was -- after  
17 talking with them a few times on the phone, it was -- I assumed  
18 -- it was portrayed to me that this company was not a typical --  
19 like, J.G. Wentworth is who I sold my first -- one of my first  
20 large lump-sums to and then when the Judge approved it, they just  
21 gave me the money and it was over with.

22 Well, when this company called me, they said that they were  
23 a broker and that they can work things a little bit differently.  
24 So, I told them that I was not interested in making any kind of  
25 deals or hearing any kind of offers on selling my large lump-sum



1 just to receive another lump-sum. So, the guy that I spoke with  
2 offered -- he was like, "Well, would you be interested in  
3 receiving" -- "us being able to use this money to invest to turn  
4 around and receive monthly checks?" Of course, I was like,  
5 "Well, how can we do that?" You know, I asked a lot of  
6 questions. And he explained to me that it would be like a  
7 property management type thing. I would purchase some  
8 properties, invest this money into these properties, and I would  
9 have like a property manager that would manage these properties  
10 and I would pretty much just receive monthly income off of the  
11 investment that was made into property management.

12 So, even though I know the terms of this petition and I  
13 understand like the financial -- like \$100,000 and \$145,000, you  
14 know, for the 51, even though I understand all of that, like I  
15 said, I'm still under the assumption, and have been this whole  
16 time, that this money was going to be placed into a property  
17 management type thing so that I would receive monthly payments---

18 BY THE COURT: Well, that's not what they're---

19 MS. RAINEY: I understand that now.

20 BY THE COURT: I'm going to deny their request. I'm close  
21 to turning this over to the Secretary of State because if -- and  
22 you seem like a nice, articulate, intelligent young lady and I  
23 appreciate you coming in. But they have represented you've never  
24 sold any funds before which is patently false.

25 MS. RAINEY: And I did tell them that I have. So, that's

1 why I looked at you funny.

2 BY THE COURT: And they also represent -- I'm going to read  
3 the paragraph, it says, "She intends to purchase" -- "to use the  
4 proceeds to purchase a home. She is currently unable to do this  
5 on her own as she does not qualify for traditional financing."

6 MS. RAINEY: See, I didn't -- I've already -- we've already  
7 purchased the house.

8 BY THE COURT: Thank you. I'm going to turn this over to  
9 the Secretary of State for investigation---

10 MR. PLAYER: Your Honor, I sincerely apologize. This is the  
11 first one we've done with them. I had no idea---

12 BY THE COURT: You tell them they're going to be getting a  
13 contact from the Secretary of State of South Carolina based on---

14 MS. RAINEY: So, what does all of this mean?

15 BY THE COURT: It means that in my opinion---

16 MS. RAINEY: I'm getting nervous.

17 BY THE COURT: You haven't done anything. It means in my  
18 opinion they are borderline unethical and illegal practices in  
19 South Carolina.

20 MS. RAINEY: Okay.

21 BY THE COURT: You have done nothing wrong. So, you don't  
22 have anything to worry about. I hope your back gets to doing  
23 better. I'm glad y'all got a house.

24 I'm going to have this Transcript prepared. You are in no  
25 way in trouble. You have done nothing wrong. What they have

1 represented to the Court and what you have told me are two very  
2 different things.

3 And I want to make clear on the record that Mr. Player is in  
4 no way involved in this.

5 It just appears to be that what they told you and what  
6 they're telling the Court are two different things, and my job is  
7 to make sure that you are protected.

8 MS. RAINEY: Okay. Should I ignore like phone calls from  
9 them and stuff?

10 BY THE COURT: Ma'am, I would. I would ignore phone calls  
11 from anybody because, unfortunately, the world we live in today,  
12 people are going to promise you the world and leave you empty.

13 MS. RAINEY: Okay. So, pretty much what's happened is that  
14 them giving me that plan for investing money into properties was  
15 really just giving me an idea of what I could do with the \$51,000  
16 once it was awarded to me? This was not something that they  
17 planned on helping me with?

18 BY THE COURT: No, ma'am.

19 MS. RAINEY: Wow! Okay.

20 BY THE COURT: I'm so sorry you have to learn this in court,  
21 but I'm thankful that you came in here because now it's been a  
22 good lesson.

23 MS. RAINEY: So, what happens to the cash advance that they  
24 gave me for signing a contract?

25 BY THE COURT: How much cash did they give you?

1 MS. RAINEY: It was like a little over \$1,000 for a signing  
2 bonus.

3 BY THE COURT: Well, they shouldn't have done that either.  
4 If they contact you, tell them that you will be glad to do  
5 whatever the Secretary of State tells you to do, but you are not  
6 going to return it until you get some kind of official document  
7 either from the Court or from the South Carolina Secretary of  
8 State.

9 MS. RAINEY: That I need to? So, even if they tell me,  
10 "You've got to give me that money back," unless I hear from the  
11 Courthouse, I don't have to?

12 BY THE COURT: Or from the South Carolina Secretary of State  
13 or the Department -- it may be the Department of Insurance, I'm  
14 not real sure, but something official.

15 MS. RAINEY: Okay.

16 BY THE COURT: They're not supposed to be giving you money  
17 without---

18 MS. RAINEY: Well, that would suck to have to pay it back  
19 when they didn't tell me any of this was going to happen.

20 BY THE COURT: All right. Have you gotten any other money  
21 from them?

22 MS. RAINEY: No, sir.

23 BY THE COURT: All right. Ms. Rainey, again, thank you for  
24 coming in. You are in no way in trouble.

25 MS. RAINEY: Okay.

1 BY THE COURT: Like I say, you seem to be a nice, honest,  
2 articulate lady and I appreciate you coming in.

3 MS. RAINEY: All right. Thank you.

4 BY THE COURT: Mr. Player, if you would do a short Order,  
5 and then like I say, I'm going to have the Transcript done and  
6 sent down to Columbia.

7 MR. PLAYER: Thank you, Your Honor.

8 BY THE COURT: Yes, sir.

9 -----END OF REQUESTED TRANSCRIPT OF RECORD-----  
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1 The undersigned, Wanda E. Fudge, Court Reporter, Office of  
2 Master in Equity for Greenville County, South Carolina do hereby  
3 certify that the foregoing is a true, accurate and complete  
4 Transcript of Record of all of the proceedings had and evidence  
5 introduced in the hearing of the captioned case, relative to  
6 appeal, before The Honorable Charles B. Simmons, Jr., as Master  
7 in Equity for Greenville County, South Carolina on the 15th day  
8 of July, 2016.

9 I do further certify that I am neither of kin, counsel, nor  
10 interest to any parties hereto.

11  
12 September 27, 2016

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15 Wanda E. Fudge, CCR

16 Certified Court Reporter  
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