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STATE OF SOUTH CAROLINA

COUNTY OF ANDERSON

IN THE COURT OF COMMON PLEAS FOR THE TENTH JUDICIAL CIRCUIT

RICHARD GEIB and CHERIE GEIB,

Plaintiffs,

v.

CHRISTOPHER J. DIXON; SAMUEL J. DIXON; RESOLUTE CAPITAL, LLC, f/n/a and as successor in interest to BLACK HARBOR WEALTH MANAGEMENT, LLC; OXFORD ADVISORY GROUP LLC; and PACIFIC LIFE INSURANCE COMPANY,

Defendants.

C/A No.: _____

SUMMONS
(Jury Trial Demanded)

TO THE ABOVE-NAMED DEFENDANTS:

YOU ARE HEREBY SUMMONED and required to answer the Complaint herein, a copy of which is herewith served upon you, and to serve a copy of your Answer to this Complaint upon the subscriber, at the address shown below, within thirty (30) days after service hereof, exclusive of the day of such service, and if you fail to answer the Complaint, judgment by default will be rendered against you for the relief demanded in the Complaint.

Signature page follows:

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

Respectfully submitted,

RP LEGAL, LLC

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Attorneys for Plaintiffs

February 11, 2026
Columbia, South Carolina

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Defendants.

C/A No.: _____

COMPLAINT
(Jury Trial Demanded)

INTRODUCTION

1. Plaintiffs Richard and Cherie Geib bring this action against the above named Defendants to recover damages arising from Defendants' improper, negligent, and deceptive conduct in the design, marketing, sale, and administration of an Indexed Universal Life insurance policy ("IUL") issued by Pacific Life Insurance Company. Acting through Pacific Life's appointed agents, Christopher J. Dixon and Samuel Dixon, and their affiliated entities Black Harbor Wealth Management, LLC, Resolute Capital, LLC, and Oxford Advisory Group LLC (collectively, the "Dixon Defendants"), Defendants sold a complex insurance product not as life insurance, but as a sophisticated retirement planning strategy intended to replace Plaintiffs' existing retirement accounts.

2. This case is not about market performance, hindsight, or a misunderstanding of policy fine print. It is about a deliberate, multi-step sales campaign that targeted retirees, cultivated trust through seminars, media appearances, and

repeated solicitations, and then leveraged that trust to persuade Plaintiffs to entirely liquidate the retirement savings they had accumulated over a lifetime of work and redeploy those assets into a single, commission-driven insurance structure that was structurally incapable of performing as represented.

3. Plaintiffs did not seek out an indexed universal life policy or an insurance-based strategy. They were seeking conservative guidance to preserve their retirement savings. The recommendation to liquidate Plaintiffs' 401(k) accounts originated entirely with the Dixon Defendants, who held themselves out as experts in retirement planning, tax strategy, estate preservation, and financial planning for retirees.

4. After multiple meetings, follow-up solicitations, and personalized analyses, the Dixon Defendants recommended what they called the "Retirement Approach No Tax" strategy. They branded this as the RANT Strategy. That strategy required Plaintiffs to fully liquidate their 401(k) retirement accounts and redeploy the proceeds into a Pacific Life indexed universal life policy, which Defendants represented was a sophisticated, institutionally engineered retirement plan, not an insurance product.

5. As part of that recommendation, Defendants expressly advised Plaintiffs that the substantial tax liabilities created by liquidating their qualified retirement accounts would be paid through policy loans taken from the IUL itself, and that this structure would result in no out-of-pocket tax payments, no losses, and no financial disruption to Plaintiffs. Plaintiffs were told that the policy would effectively pay its own taxes and that any amounts owed to the IRS could be satisfied by requesting checks from Pacific Life.

6. Acting in concert with and under the authority of Pacific Life as appointed agents and authorized producers, the Dixon Defendants promoted this strategy using

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

Pacific Life-generated illustrations, compliance-approved sales materials, and insurer branding to create the impression that the plan was vetted, approved, and endorsed at the institutional level. Those illustrations relied on unrealistic assumptions, concealed material risks, and masked the long-term consequences of loan-based policy designs.

7. The product was not sold as insurance. It was sold as a replacement retirement plan, marketed as tax-free, low-risk, and self-funding after a limited number of years. In reality, it was a highly complex, non-guaranteed insurance contract whose performance depended on insurer-controlled variables, aggressive assumptions, and compensation-driven design choices that transferred long-term risk to Plaintiffs while generating immediate commissions.

8. As a direct and foreseeable result of Defendants' conduct, Plaintiffs were induced to dismantle their retirement portfolio, incur substantial and unavoidable tax consequences, suffer reductions in Social Security income, experience increased Medicare costs, and lose the financial security they had spent decades building. Plaintiffs bring this action to hold Defendants accountable for recommending the complete liquidation of their retirement savings, misrepresenting a complex insurance product as a sophisticated retirement plan, and falsely assuring Plaintiffs that the resulting tax consequences would be neutralized with no out-of-pocket loss.

9. Pacific Life holds itself out as one of the most ethical and trustworthy life insurance carriers in the country. Yet upon information and belief, in 2018 and 2019, Pacific Life conducted an internal investigation into the Dixon Defendants' sales practices and, as a result of that investigation, terminated Christopher Dixon and Samuel Dixon as authorized Pacific Life insurance producers due to misconduct.

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

10. Despite uncovering conduct sufficiently serious to warrant termination, Pacific Life never notified Plaintiffs, who remained bound to a Dixon-designed policy issued and administered by Pacific Life, of the investigation, the misconduct, or the terminations.

11. Instead, Pacific Life allowed Plaintiffs to continue for years under a plan structured by agents it had determined were unfit to represent the company, while continuing to collect premiums and administer a policy it knew was sold through deceptive means.

12. When Plaintiffs finally discovered the deceptions described herein in 2024 and sought answers from Pacific Life, the company compounded its misconduct by continuing to mislead Plaintiffs and failing to disclose that the very advisors Plaintiffs had trusted, and whom Pacific Life had empowered to sell its products, had been terminated years earlier for the same type of misconduct that had harmed Plaintiffs.

13. Pacific Life's silence was not mere negligence; it was a calculated decision to protect the company's interests at the expense of policyholders it had a duty to protect.

14. This case is not about a retirement plan that failed. It is about a plan that could never succeed. From the moment Defendants chose to inflate the death benefit, maximize commissionable premium, and rely on loan based distributions to mask tax consequences, the outcome was predetermined. Plaintiffs' retirement savings were not invested. They were monetized. The policy's structure ensured that Defendants were paid first, while Plaintiffs bore all long term risk. That is not retirement planning. It is exploitation disguised as financial advice.

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

GENERAL ALLEGATIONS

15. At all times relevant to the events described in this Complaint, Christopher J. Dixon and Samuel Dixon were employees, officers, directors, principals, or managers of both Black Harbor Wealth Management LLC ("Black Harbor") and Oxford Advisory Group LLC ("Oxford") and were acting within the course and scope of their employment with these entities.

16. Defendant Christopher J. Dixon is the son of J. Christopher Dixon. Christopher J. Dixon was the insurance producer, Registered Financial Consultant, and primary sales agent who marketed, illustrated, recommended, and sold the RANT strategy and the Pacific Life Indexed Universal Life policy to Plaintiffs in concert with the Defendants.

17. J. Christopher Dixon is a separate individual who was the founder, chief executive officer, owner, and operator of Black Harbor Wealth Management. Upon information and belief, J. Christopher Dixon was subject to regulatory and criminal enforcement actions, including a deferred prosecution agreement, arising out of enterprise level misconduct at Black Harbor. The misconduct alleged herein arises from the acts of Christopher J. Dixon as the producing agent, and from Pacific Life's appointment, supervision, and retention of him, while J. Christopher Dixon's role is relevant to enterprise control, pattern and practice, and Pacific Life's knowledge of systemic misconduct.

18. Upon information and belief, Defendant Resolute Capital is a successor in interest to Black Harbor, created to collect holdover commission for insurance policies written for South Carolina consumers.

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

19. At all relevant times, Christopher and Samuel Dixon acted as agents, representatives, and authorized producers for Pacific Life Insurance Company.

20. Acting within the scope of their agency, the Dixons presented multiple policy illustrations, projections, and written communications on Pacific Life's behalf. The recommendations, sales presentations, and illustrations they made to Plaintiffs were negligent, misleading, and fundamentally unsuitable for their financial circumstances. The Pacific Life Indexed Universal Life policy sold and implemented through the Dixons violated basic suitability and disclosure standards and failed to reveal the true risks associated with variable interest crediting, policy charges, underperformance, and potential policy lapse.

21. The Dixons represented that they had invented the "Retirement Approach No Tax" or "RANT" strategy and recommended this strategy to Plaintiffs as a comprehensive retirement and tax planning solution.

22. The RANT strategy involved Plaintiffs liquidating their 401(k) savings and using those funds to purchase and pay premiums for a Pacific Life IUL policy issued in Richard Geib's name for a "retirement strategy."

23. An indexed universal life insurance policy, commonly referred to as an IUL, is a type of permanent life insurance contract that combines a death benefit with a cash value component whose credited growth is tied to the performance of one or more external financial indices, subject to caps, participation rates, multipliers, fees, cost-of-insurance charges, loan mechanics, and other non-guaranteed policy elements controlled by the insurer.

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

24. Unlike traditional investments, IUL policies do not provide direct ownership of any index or securities. Credited interest is determined solely by the insurer under complex contractual formulas. The performance and sustainability of an IUL policy depends on numerous interrelated variables, including policy charges, cost-of-insurance rates, index crediting terms, loan interest spreads, and discretionary administrative elections that can change over time.

25. These policies are among the most complex insurance products sold to consumers and cannot be reasonably evaluated or understood without specialized knowledge of insurance, actuarial modeling, and policy design mechanics.

26. The policy sold to Plaintiffs was not an investment-grade instrument. It was a complex insurance contract with substantial ongoing costs and performance risks that were never explained. The advice and sales practices of the Dixons fell below the standard of care owed to Plaintiffs and breached the duties of competence, disclosure, and fair dealing required of licensed insurance professionals.

27. The Dixons represented that the policy would be “fully funded” and self-sustaining after five years of premium payments and would thereafter generate substantial tax-free income for retirement. Those representations were negligent and false. The illustrations emphasized hypothetical growth rates and multiplier effects that could not be sustained under real-world market conditions, and the Dixons never disclosed the sensitivity of the policy to cap reductions, policy expenses, cost-of-insurance charges, loan drag, or changes in non-guaranteed elements.

28. Plaintiffs entrusted Defendants to safeguard their retirement savings. Instead, Defendants exploited that trust to strip Plaintiffs of their qualified retirement

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

accounts and funnel their life savings into an unsuitable, high-cost insurance product that was never intended to perform as promised. The Dixons presented an illustration issued by Pacific Life showing millions of dollars in tax-free income, encouraged liquidation of qualified accounts, and falsified or manipulated suitability data to make the policy appear appropriate.

29. Pacific Life approved the application submitted by the Dixon Defendants and issued the IUL policy to Plaintiffs. The IUL policy was not suitable for Plaintiffs given their finances, goals, age, and lack of insurable need.

30. The Pacific Life Indexed Universal Life policy sold and implemented through the Dixon Defendants violated basic suitability and disclosure standards and failed to reveal the true risks associated with variable interest crediting, policy charges, underperformance, and potential policy lapse.

31. Pacific Life generated and approved the illustration, accepted and underwrote the falsified application, and allowed the transaction to proceed. The Dixons, as Pacific Life's appointed producers, acted with the full authority and supervision of Pacific Life, using its illustrations, compliance-approved sales materials, underwriting process, and branding to consummate the sale.

32. The advice and sales practices of the Dixon Defendants and Pacific Life fell below the standard of care owed to Plaintiffs and breached the duties of competence, disclosure, and fair dealing required of licensed insurance professionals. These acts reflect negligent advice, negligent misrepresentation, negligent supervision, and systemic failures to meet basic duties of care owed to Plaintiffs.

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

33. Pacific Life is legally responsible for its own negligence and for the conduct of its agents, Christopher and Samuel Dixon, under general agency principles and the doctrine of respondeat superior and vicarious liability.

34. Pacific Life publicly emphasizes its commitment to policyholders and upholding high ethical standards. In its Code of Conduct, the company states:

35. “Ethics and integrity are defining characteristics of Living the Pacific Life. Integrating these core values into daily decisions helps ensure that our customers are taken care of.”

36. Additionally, Pacific Life’s Corporate Social Responsibility Report underscores that “caring for our policyholders is in our DNA, which is why millions of individuals and families have trusted us with their life’s needs.” The company also touts that it has been recognized for its ethical business practices, having been named one of the World’s Most Ethical Companies by the Ethisphere Institute, making the actions taken in this matter all the more troubling and inconsistent with its stated values.

37. Plaintiffs placed their trust in Pacific Life’s powerful reputation as a leading financial institution, believing that a company of its size and self-proclaimed ethical standards would only endorse sound financial products and ethical advisors.

38. This false sense of security led Plaintiffs to rely on the Dixons’ advice, unaware that they were being steered into an unsustainable, high-risk product. Had Pacific Life properly vetted the Dixons, and enforced transparency in its policy designs, Plaintiffs would never have entrusted their financial future to such a fundamentally flawed plan.

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

PARTIES

39. Plaintiff Richard Geib is a citizen and resident of Anderson County, South Carolina.

40. Plaintiff Cherie Geib is a citizen and resident of Anderson County, South Carolina.

41. Defendant Christopher J. Dixon is, upon information and belief, a citizen and resident of Florida. Christopher Dixon is licensed as an insurance producer by the State of Florida (License # W066186) and registered in the State of South Carolina (NPN # 15948322), with his registered office located in Orlando, Florida 32801.

42. Defendant Samuel J. Dixon is, upon information and belief, a resident of Florida. Dixon is licensed as an insurance producer by the State of Florida (NPN # 16538484) and registered in the State of South Carolina, with his registered office located in Orlando, Florida 32801. Samuel J. Dixon is also a registered investment adviser (CRD # 6579050).

43. During the time period relevant to this Complaint, the Dixons offered advice, insurance, and retirement planning services to Plaintiffs and the public through Black Harbor Wealth Management, LLC and Oxford Advisory Group LLC.

44. Black Harbor Wealth Management, LLC was a limited liability company organized and existing under the laws of the state of South Carolina, with its principal place of business at 4 Leas Courtyard Drive, Seneca, South Carolina.

45. In February 2024, Black Harbor dissolved as part of a Consent Order entered in August 2021 after an investigation by the Securities Division of the Office of the Attorney General determined that Black Harbor had violated the South Carolina

Uniform Securities Act of 2005 through its unlawful involvement in and the unlawful sale of "Future Income Payments" to, inter alia, fund indexed universal life insurance policies purchased by other customers. Notwithstanding its dissolution, Black Harbor remains subject to suit pursuant to S.C. Code Ann. §33-44-808(c).

ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF: **J. Christopher Dixon, and Black Harbor Wealth Management, LLC,** **Respondents.**	)	**CONSENT ORDER** **Matter No. 20183926**

I. PRELIMINARY STATEMENT

Pursuant to the authority granted to the Securities Commissioner of South Carolina (the "Securities Commissioner") under the South Carolina Uniform Securities Act of 2005, S.C. Code Ann. § 35-1-101, *et seq.* (the "Act"), and delegated to the Securities Division of the Office of the Attorney General (the "Division") by the Securities Commissioner, the Division conducted an investigation into the securities-related activities of J. Christopher Dixon ("Dixon") and Black Harbor Wealth Management, LLC ("BHWM") (collectively, the "Respondents"), and, in connection with its investigation, the Division has determined that the Respondents violated the Act.

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

VI. ORDER

NOW THEREFORE, pursuant to S.C. Code Ann. § 35-1-604(a)(1), it is hereby **ORDERED** that:

a. Each of the Respondents and every successor, affiliate, control person, agent, servant, and employee of each of the Respondents, and every entity owned, operated, or indirectly or directly controlled by, or on behalf of each of the Respondents, shall **CEASE AND DESIST** from transacting business in this State in violation of the Act, and, in particular, §§ 35-1-301 and 35-1-402 thereof;

b. The Respondents shall jointly and severally pay a civil penalty in the amount of $400,000;

c. The Respondents have disgorged certain of their commissions to to the Investors, through both the Receiver and the Investors' civil litigation. Because of the remedial efforts of the Respondents, the civil penalty ordered in paragraph b, *supra,* is hereby **SUSPENDED;**

d. Dixon agrees to forfeit his insurance license for a period of three years from the date of approval of this Consent Order by the Securities Commissioner;

e. Dixon agrees not to register with FINRA for a period of three years from the date of approval of this Consent Order by the Securities Commissioner;

f. Dixon agrees to dissolve BHWM; and

g. Dixon expressly consents and agrees that he is **PERMANENTLY BARRED** from participating in any aspect of the securities industry in or from the State of South Carolina.

Exhibit 1.

46. Defendant Resolute Capital is a limited liability company organized in the State of South Carolina. It is an investment advisory firm registered with the U.S. Securities and Exchange Commission (CRD 304558).

47. Upon information and belief, Resolute Capital is a mere continuation of, and successor in interest to, Black Harbor, created to collect holdover commission for insurance policies written for South Carolina consumers. Public records reveal that Matthew Dixon, brother of Defendants Christopher and Samuel Dixon, incorporated Black Harbor Advisors, LLC on June 18, 2019, during the criminal investigation into Black Harbor Wealth Management. The business was registered to a private home owned by

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

J. Christopher Dixon, father of Matthew, Samuel, and Christopher. On November 9, 2019, Matthew Dixon amended the articles of incorporation to change the name of Black Harbor Advisors, LLC, to Resolute Capital, LLC.

48. Upon information and belief, Defendant Oxford Advisory Group, LLC, is a Florida limited liability company with offices in Florida and South Carolina. Oxford Advisory Group is a Florida licensed insurance producer (NPN #18793390). Oxford Advisory Group is the financial advisory and insurance firm through which Defendants Christopher and Samuel Dixon marketed Pacific Life products and received commissions and compensation arising from the sale of the Pacific Life Indexed Universal Life policy at issue.

49. Upon information and belief, Defendant Pacific Life Insurance Company is a Nebraska corporation with its principal place of business at 700 Newport Center Drive, Newport Beach, California 92660, in Orange County. Pacific Life is authorized to transact insurance in South Carolina, maintains appointments for its producers in this State, and regularly conducts business in South Carolina by marketing, underwriting, issuing, and servicing life insurance policies to residents, including Plaintiffs, through its agents, electronic platforms, and the U.S. Mail. Pacific Life and its affiliates, including Pacific Life & Annuity Company, sell life insurance and annuity products including the "IUL policy" described herein, and operate in all states except New York, but in New York under the name Pacific Life & Annuity Company.

JURISDICTION AND VENUE

50. This Court has subject matter jurisdiction over this action pursuant to Article V, Section 11 of the South Carolina Constitution.

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

51. The Court has personal jurisdiction pursuant to S.C. Code Ann. § 36-2-803 as Defendants' unlawful acts and omissions occurred in South Carolina, Defendants each conducted substantial and continuous business in South Carolina, utilized agents in South Carolina, and utilized the U.S. Mail and internet to promote retirement strategies and products to Plaintiffs and other individuals in South Carolina.

52. Venue is proper in Anderson County pursuant to S.C. Code Ann. § 15-7-30 as the events giving rise to this action occurred in Anderson County, South Carolina, and Defendants conduct business in Anderson County.

FACTUAL BACKGROUND

53. In early 2018, Plaintiffs became aware of Christopher Dixon and his affiliated firms through retirement-focused seminars, local advertising, and media appearances in which Dixon and his associates presented themselves as experts in tax planning, retirement income planning, estate preservation, and financial planning for retirees.

54. Plaintiffs did not seek out an indexed universal life policy, an insurance-based strategy, or any form of leveraged or alternative retirement product.

55. At the time, Plaintiffs were in their sixties and were focused on preserving the retirement savings they had accumulated over a lifetime of work. They were seeking safe, conservative guidance to protect those assets from market risk, taxes, and erosion, not to replace their retirement plan with a new financial product. They expressed no need for life insurance coverage to protect against a specific loss.

56. Plaintiffs attended a retirement seminar presented by Black Harbor Wealth Management after receiving marketing materials promoting Dixon and his firm as

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

specialists in helping retirees reduce taxes, protect income, and plan for retirement and estate preservation. The seminar was structured to position Dixon and his associates as trusted authorities on retirement and tax strategy.

57. Following the seminar, Christopher Dixon and his associates initiated repeated follow-up solicitations, meetings, and communications with Plaintiffs. Over the course of multiple in-person meetings and telephone calls, Dixon presented himself not as an insurance agent, but as a comprehensive retirement planner and financial advisor whose role was to diagnose retirement risks and design solutions tailored to each client.

58. During these meetings, Dixon emphasized that traditional retirement accounts such as 401(k) plans were tax inefficient, exposed retirees to future tax increases, harmful to Social Security income, and likely to increase Medicare costs. He warned Plaintiffs that failing to act would jeopardize the retirement security they had worked decades to build.

59. Only after this extended sales and advisory process did Christopher Dixon recommend that Plaintiffs liquidate their 401(k) retirement accounts and redeploy those funds into what he described as a superior retirement strategy.

60. That recommendation originated entirely with Dixon and his firms, not with Plaintiffs.

61. Pacific Life appointed Christopher Dixon and Samuel Dixon as its producers in May 2018. At all times relevant, the Dixon Defendants were appointed and authorized producers of Pacific Life Insurance Company. Pacific Life conferred upon them express and apparent authority to solicit applications, prepare and present Pacific Life illustrations,

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

create policy designs, collect premiums, and deliver policies bearing the Pacific Life name and logo.

62. Pacific Life equipped the Dixon Defendants with proprietary illustration software, compliance training materials, marketing portals, and online access to carrier-generated documents, which they used in soliciting, illustrating, closing sales, and delivering policies bearing the Pacific Life name and logo.

63. At all times relevant, the Dixons were acting within the course and scope of their agency with Pacific Life, and Pacific Life is responsible for their acts and omissions under the doctrine of respondeat superior, vicarious liability, and South Carolina law.

64. Plaintiffs vested their confidence, good faith, reliance, and trust in the Dixon Defendants and Pacific Life on matters of retirement planning. This relationship went far beyond a routine insurance transaction and created a special relationship of trust and confidence giving rise to duties of honesty, competence, full disclosure, and fiduciary obligations.

65. Dixon represented that by partnering with Pacific Life and utilizing its proprietary indexed universal life products, he could design a custom retirement plan that would outperform Plaintiffs' existing retirement structure while reducing taxes and generating stable, tax-free income for life.

66. From the outset of this process, Christopher Dixon held himself out as a retirement planner and financial advisor specializing in retirement-focused investments and tax-free withdrawals and represented that Plaintiffs could trust him with the entirety of their retirement savings.

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

67. At all times relevant, Christopher Dixon was and held himself out as a Registered Financial Consultant (RFC®), a designation issued by the International Association of Registered Financial Consultants and used that credential to reinforce the impression that he was providing professional financial and retirement planning advice rather than selling insurance.

68. In accordance with his RFC® designation and his representations, Dixon acted as a financial advisor in the business of providing investment and financial planning advice, including advice concerning retirement income, tax strategy, and the repositioning of qualified retirement assets.

69. At all times relevant, the Dixons were insurance agents who integrated the sale of insurance products into what they presented as comprehensive retirement and financial planning advice, without disclosing the limitations of their licensure or the conflicts inherent in commission-based product sales.

70. Although Christopher J. Dixon was the primary agent who sold and implemented the RANT strategy and Pacific Life Indexed Universal Life policy in 2018, Defendant Samuel J. Dixon participated in the marketing of the strategy, appeared as a representative of Black Harbor at the initial retirement seminar, and later assumed an expanded role as Plaintiffs' investment adviser. On or about May 23, 2022, Plaintiffs entered into an Investment Advisory Agreement with Oxford Wealth Group, signed by Samuel J. Dixon as "Advisor," granting him authority over Plaintiffs' IRA rollover accounts used to fund the policy.

71. In that advisory capacity, Samuel J. Dixon owed Plaintiffs fiduciary duties of loyalty, care, and full disclosure. Despite knowing that Plaintiffs' retirement assets were

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

being depleted to fund the Pacific Life policy, that the strategy depended on loan-based assumptions, and that Plaintiffs believed the policy would soon generate retirement income, Samuel J. Dixon failed to disclose material risks, failed to correct prior misrepresentations, and allowed Plaintiffs to continue funding a structurally defective strategy.

72. Plaintiffs reasonably relied on Samuel J. Dixon's ongoing role as an investment adviser and fiduciary and had no reason to suspect wrongdoing while he continued to manage and oversee their retirement assets. His continued involvement delayed discovery of Defendants' misconduct and tolled the statute of limitations until Plaintiffs learned the truth in 2024.

73. At no time did either Christopher J. Dixon or Samuel J. Dixon inform Plaintiffs that Pacific Life had investigated their conduct in connection with the marketing and sale of Indexed Universal Life policies in South Carolina and had terminated their appointments as Pacific Life producers in or around early 2019. To the contrary, the Dixon Defendants continued to hold themselves out as trusted advisors, allowed Plaintiffs to rely on prior representations regarding the RANT strategy and the policy's performance and permitted Plaintiffs to continue paying substantial premiums and incurring tax consequences without disclosure of the investigation or termination.

74. This concealment persisted through multiple years of continued advisory involvement and policy servicing and did not end until the fall of 2024, when Plaintiffs learned for the first time that they had been misled and that the policy could not perform as represented.

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

75. Although Plaintiffs received periodic policy statements beginning in 2019, they did not understand and could not reasonably have understood that they had been injured by wrongful conduct at that time. Each time Plaintiffs raised concerns regarding charges, tax consequences, or performance, Defendants instructed them to disregard Pacific Life's statements and instead rely on the original illustration and repeated assurances that the policy would become fully funded after five years and generate approximately $98,000 per year in tax-free retirement income.

76. Pacific Life likewise redirected Plaintiffs back to the Dixon Defendants rather than disclose any wrongdoing or structural defects. Plaintiffs reasonably relied on those reassurances, on the continued involvement of Defendants as advisors, and on Pacific Life's institutional authority until the fall of 2024, when Pacific Life denied Plaintiffs' request for income and for the first time contradicted the core representations on which the policy had been sold.

77. Defendants' ongoing reassurances, concealment of material facts, continued advisory involvement, and failure to disclose the investigation and termination of the Dixon Defendants prevented Plaintiffs from discovering the existence of a cause of action until late 2024. Defendants may not induce continued reliance and then argue that Plaintiffs should have discovered the truth earlier.

78. When Plaintiffs contacted Pacific Life to raise questions and concerns regarding policy charges, tax consequences, performance, and the accuracy of information used to sell the policy, Pacific Life did not disclose that the Dixon Defendants had been investigated or terminated. Instead, Pacific Life redirected Plaintiffs back to the Dixons and their affiliated representatives for answers and guidance, even though Pacific

Life knew, or should have known, that the Dixons had been terminated as producers in or around early 2019.

79. By affirmatively steering Plaintiffs back to agents it had terminated for misconduct, Pacific Life reinforced Plaintiffs' reliance on prior misrepresentations, concealed material facts, and prevented Plaintiffs from discovering the wrongful nature of Defendants' conduct until the fall of 2024.

80. Plaintiffs vested their confidence, good faith, reliance, and trust in the Dixon Defendants and Pacific Life on matters of retirement and financial planning. Defendants knew Plaintiffs were relying on their claimed expertise to protect lifetime retirement savings and to recommend only suitable, sustainable strategies.

81. In this advisory capacity, the Dixons directed Plaintiffs to liquidate their TD Ameritrade 401(k) accounts, then worth approximately $1,500,000.00, and to reposition those funds into what Dixon called the "Retirement Approach No Tax" or "RANT" strategy.

82. The RANT strategy involved using Plaintiffs' hard-earned and irreplaceable retirement savings to fund a Pacific Life indexed universal life policy, which Dixon and his affiliates represented would provide risk-free, tax-free income and superior retirement outcomes compared to Plaintiffs' existing plan.

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

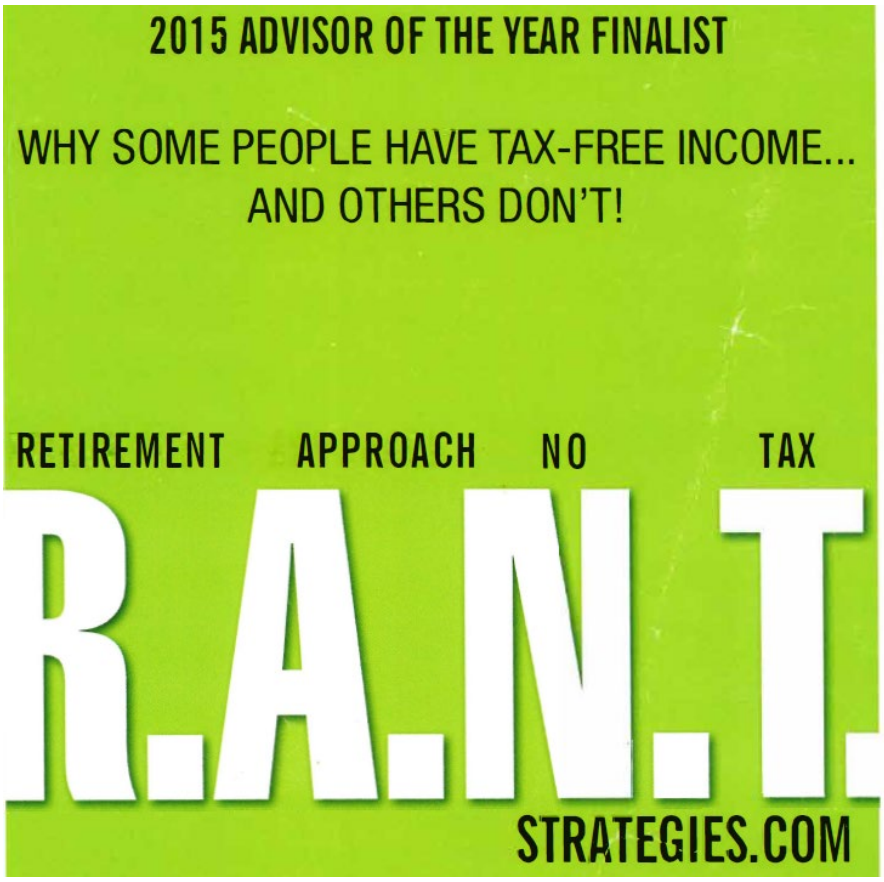

Exhibit 2.

83. The RANT strategy was not a legitimate or sound retirement or financial planning strategy and was not appropriate for Plaintiffs. It was a commission-driven insurance sales structure disguised as retirement planning, designed to extract large premiums and shift long-term risk onto retirees.

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

What you're looking for are the two pillars of safe growth and lower taxes, and that's what the RANT is all about. It's a strategy that gives you a floor of zero so that you can't lose money and a tax-free income when you pull that money out. It can lower your tax burden for other taxable accounts and lower your tax burden overall. During the course of a 20 to 40 year retirement, all those tax savings really add up.

Our dad always tells us, "You gotta pay attention to the details." Taxes are one of those details. Of course, no one wants to believe that taxes are going up. No one ever walks into our office and says, "Hey, I don't think I'm paying enough in taxes." Everyone feels like taxes are high and everyone thinks that taxes will be lower once they retire. They aren't and they won't, but we'll let our dad explain all that.

What you're looking for are the two pillars of safe growth and lower taxes, and that's what the RANT is all about. It's a strategy that gives you a floor of zero so that you can't lose money and a tax-free income when you pull that money out. It can lower your tax burden for other taxable accounts and lower your tax burden overall. During the course of a 20 to 40 year retirement, all those tax savings really add up.

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What we want to share with you is an opportunity that high net-worth individuals and corporations have been using for years. We believe that hard working, everyday Americans like you deserve to have access to it, and so we are bringing it to you - from Wall Street to Main

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Street, as we like to say. All hype aside – you CAN have a predictable, safe retirement, and you don't have to take major risk to get it. The RANT is that strategy, and this book will show you how it can have a positive effect on your financial life.

~ Christopher Dixon, Registered Financial Consultant (RFC®) and Senior Partner, Black Harbor Wealth Management.

~ Samuel J. Dixon, Registered Financial Consultant (RFC®) and Senior Partner, Black Harbor Wealth Management.

Exhibit 3.

84. Plaintiffs met again with Christopher Dixon in June 2018, after additional solicitations and follow-up. During that meeting, Dixon provided Plaintiffs with a letter stating that Black Harbor was "rebranding" as Oxford Advisory Group, reinforcing continuity of the advisory relationship rather than signaling a change in role or risk.

85. At that meeting, Christopher Dixon again reinforced his prior representations using a Pacific Life-generated illustration bearing Pacific Life's whale logo on every page, conveying that the strategy was institutionally designed, approved, and supported by Pacific Life.

86. Using Pacific Life's official illustrations, Dixon told Plaintiffs that the policy would self-sustain after a limited number of annual payments and that no additional funding would ever be required. The illustration promised that after five annual premium payments, Plaintiffs would receive $98,392.00 in annual tax-free retirement income until age 100, totaling $3,350,152.00 in projected tax-free income.

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87. During the sales presentation, Dixon promised Plaintiffs that the plan involved "no loss, tax-free growth, and no RMD," would be "fully invested after five years," and would generate approximately $100,000 per year in tax-free retirement income.

88. Plaintiffs contemporaneously recorded these representations during the sales meetings in handwritten notes, reflecting Dixon's explanations of the RANT strategy, the use of policy loans to pay taxes, and the promise that the policy would deliver approximately $1.5 million in tax-free value after five years.

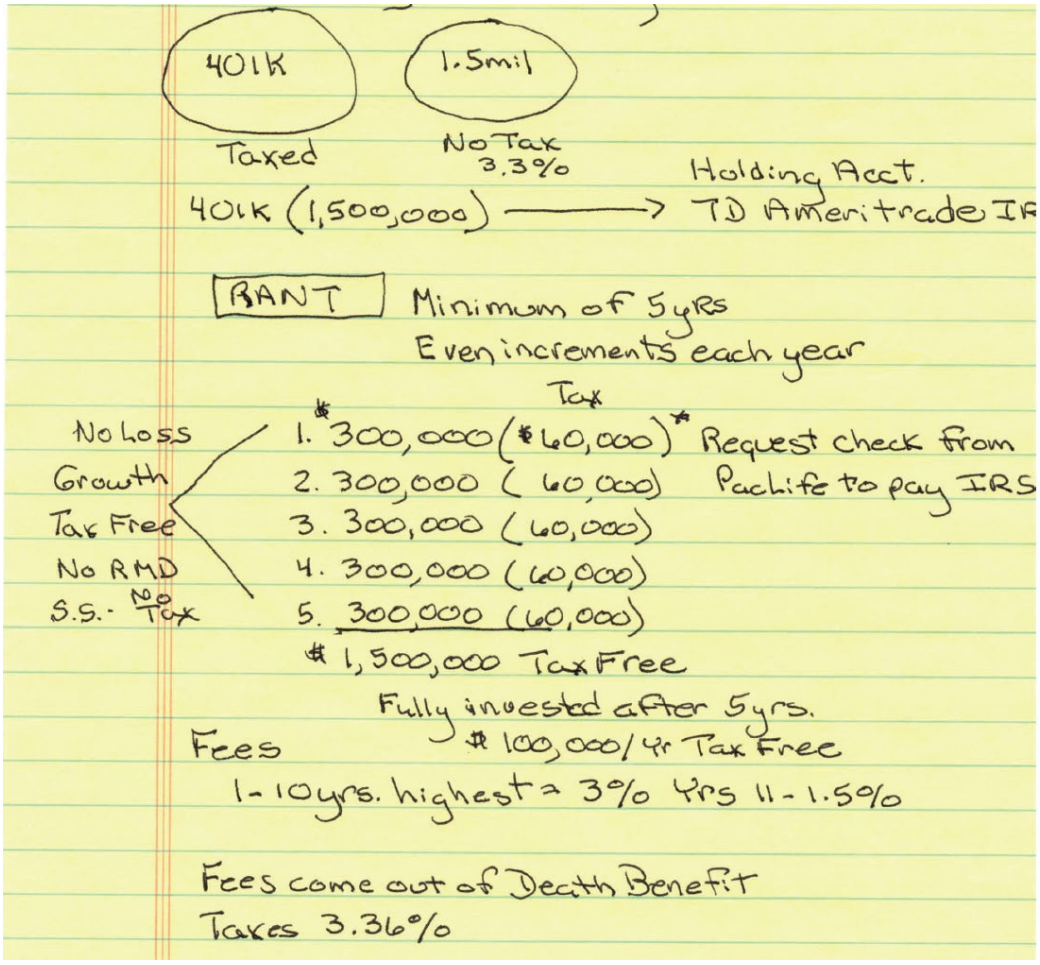

Exhibit 4.

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89. Dixon further assured Plaintiffs that any tax liabilities generated by the strategy would be paid from the policy's death benefit, and that Plaintiffs could simply request checks from Pacific Life to pay the IRS.

90. The Dixon Defendants represented that policy loans were an excellent and safe source of retirement income because proceeds from insurance policy loans are not taxed as ordinary income. The conversion of Plaintiffs' existing savings into what Dixon described as "tax-free money" was the central selling point of the RANT strategy.

91. Plaintiffs were never told that the strategy was not a conservative investment or retirement plan. They were not told that it was a retirement income simulation built on a high-cost insurance contract dependent on optimistic and non-guaranteed assumptions.

92. The Dixon Defendants never disclosed that they were only licensed to sell insurance products, despite holding themselves out as retirement and financial planning professionals.

93. The Dixon Defendants never disclosed that they were compensated through commissions tied to the sale of life insurance products, or that their compensation increased based on target premium size, policy manipulations, and policy design.

94. The Dixon Defendants never disclosed that their personal financial interests in earning commissions could conflict with Plaintiffs' interests, or that the IUL policy might not be the most suitable or prudent way to preserve retirement savings.

95. Defendants and their representatives described the policy as an investment platform rather than insurance, emphasizing illustrated performance and tax advantages

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while omitting the risks of policy failure, volatility of crediting rates, commission expenses, policy charges, and cost-of-insurance drag.

96. This framing was central to Plaintiffs' decision-making process because it masked the true nature of the product and led Plaintiffs to believe they were adopting a professionally designed retirement strategy rather than purchasing a speculative insurance contract.

97. Relying on these representations, Plaintiffs believed they were securing a low-maintenance, high-return retirement solution that would generate stable, tax-free income for life. The representation that Plaintiffs could stop premium payments after a few years and still receive substantial income was materially false.

98. By perpetuating this narrative, Pacific Life, through its appointed producers, created a misleading impression that the illustrated outcomes were realistic and dependable, when in fact they were dependent on non-guaranteed assumptions and compensation-driven design choices.

99. Despite taking on an active advisory role in guiding Plaintiffs on policy structure, performance expectations, and tax implications, Defendants failed to disclose the significant financial risks inherent in indexed universal life policies.

100. By marketing the policy as an investment and tax-advantaged plan with limited funding requirements, Defendants misrepresented the true costs and ongoing capital necessary to sustain the policy over the long term.

101. In reality, Defendants created a substantial retirement tax liability by directing Plaintiffs to take taxable distributions from their 401(k) accounts, then attempted

to conceal that liability using internal policy loans that would only appear sustainable under ideal conditions.

102. Instead of disclosing the real tax consequences or recommending a gradual and prudent drawdown of retirement assets, the Pacific Life illustration showed policy loans beginning in year two, in the amount of approximately $60,000 per year, solely to pay the taxes generated by the liquidation itself.

PACIFIC LIFE

Pacific Discovery Xelerator IUL - GPT - Life Insurance Illustration
Flexible Premium Indexed Adjustable Life Insurance
Form Series ICC15 P15IUL or P15IUL based on state of policy issue
For Presentation in SC

Proposed Insured: Richard Geib
Male, Age 64
Super Preferred Nonsmoker

Initial Death Benefit Option = B - (Increasing)
Initial Total Face Amount = $3,380,120
Premium Frequency = Annual

Life Insurance Producer:
Christopher Dixon
325 Main St
Seneca, SC 29678

Non-Guaranteed Policy Values: Ledger

Revised As Issued Illustration

This illustration assumes non-guaranteed policy charges and non-guaranteed crediting rates.

					Non-Guaranteed Values (End Of Year) @ 6.09% [1]		
Year	Age	Premium Outlay* (1)	Policy Loan (2)	Net Outlay (3)	Net Accumulated Value (4)	Net Cash Surrender Value (5)	Death Benefit (6)
1	64	300,000	0	300,000	143,042	0	3,523,162
2	65	300,000	60,000	240,000	254,269	164,266	3,318,466
3	66	300,000	60,000	240,000	404,622	323,621	3,253,673
4	67	300,000	60,000	240,000	588,737	516,737	3,185,583
5	68	300,000	60,000	240,000	810,189	747,187	3,114,027
6	69	0	60,000	-60,000	755,060	701,059	3,038,828
7	70	0	98,392	-98,392	666,017	621,018	2,920,352
8	71	0	98,392	-98,392	580,148	544,146	2,795,845
9	72	0	98,392	-98,392	497,843	479,844	2,665,001
10	73	0	98,392	-98,392	408,764	408,764	2,527,496
Total		**1,500,000**	**693,568**	**806,432**			
11	74	0	98,392	-98,392	382,638	382,638	479,222
12	75	0	98,392	-98,392	360,223	360,223	435,684
13	76	0	98,392	-98,392	341,573	341,573	424,081
14	77	0	98,392	-98,392	327,538	327,538	417,729
15	78	0	98,392	-98,392	318,572	318,572	417,127
16	79	0	98,392	-98,392	315,593	315,593	423,260
17	80	0	98,392	-98,392	319,305	319,305	436,890
18	81	0	98,392	-98,392	330,741	330,741	459,126
19	82	0	98,392	-98,392	351,196	351,196	491,351
20	83	0	98,392	-98,392	381,794	381,794	534,775
Total		**1,500,000**	**1,677,488**	**-177,488**			

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					Non-Guaranteed Values (End Of Year) @ 6.09% [1]		
Year	Age	Premium Outlay* (1)	Policy Loan (2)	Net Outlay (3)	Net Accumulated Value (4)	Net Cash Surrender Value (5)	Death Benefit (6)
21	84	0	98,392	-98,392	424,386	424,386	591,367
22	85	0	98,392	-98,392	480,098	480,098	662,339
23	86	0	98,392	-98,392	550,783	550,783	749,668
24	87	0	98,392	-98,392	637,931	637,931	854,950
25	88	0	98,392	-98,392	743,922	743,922	980,718
26	89	0	98,392	-98,392	870,762	870,762	1,129,115
27	90	0	98,392	-98,392	1,020,282	1,020,282	1,302,100
28	91	0	98,392	-98,392	1,198,719	1,198,719	1,444,753
29	92	0	98,392	-98,392	1,412,102	1,412,102	1,613,625
30	93	0	98,392	-98,392	1,665,781	1,665,781	1,812,626
Total		**1,500,000**	**2,661,408**	**-1,161,408**			
31	94	0	98,392	-98,392	1,920,872	1,920,872	2,000,746
32	95	0	98,392	-98,392	2,164,981	2,164,981	2,251,394
33	96	0	98,392	-98,392	2,392,953	2,392,953	2,485,954
34	97	0	98,392	-98,392	2,598,584	2,598,584	2,698,168
35	98	0	98,392	-98,392	2,773,789	2,773,789	2,879,883
36	99	0	98,392	-98,392	2,961,018	2,961,018	3,073,983
37	100	0	98,392	-98,392	3,162,341	3,162,341	3,282,573
38	101	0	0	0	3,096,279	3,096,279	3,217,845
39	102	0	0	0	3,163,085	3,163,085	3,287,357
40	103	0	0	0	3,227,540	3,227,540	3,354,540
Total		**1,500,000**	**3,350,152**	**-1,850,152**			
41	104	0	0	0	3,288,748	3,288,748	3,418,492
42	105	0	0	0	3,346,180	3,346,180	3,478,677
43	106	0	0	0	3,399,383	3,399,383	3,534,641
44	107	0	0	0	3,447,807	3,447,807	3,585,828
45	108	0	0	0	3,491,177	3,491,177	3,631,961
46	109	0	0	0	3,529,547	3,529,547	3,673,097
47	110	0	0	0	3,563,418	3,563,418	3,709,743
48	111	0	0	0	3,592,532	3,592,532	3,741,638
49	112	0	0	0	3,616,453	3,616,453	3,768,345
50	113	0	0	0	3,639,358	3,639,358	3,794,083
Total		**1,500,000**	**3,350,152**	**-1,850,152**			

I-1W

Life Insurance Producer: Christopher Dixon
Pacific Life Insurance Company, 45 Enterprise, Aliso Viejo, CA 92656
PDX IUL N1 - GPT - NonGI TP: 299986

For: Richard Geib

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Page: 2 of 6

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Exhibit 5.

103. The Pacific Life illustration falsely suggested that these internal loans were sustainable and could be taken without materially impairing policy performance, even though loan-based designs increase lapse risk through compounding indebtedness and reliance on non-guaranteed crediting.

104. At the time these representations were made, Defendants knew, or should have known, that the illustrated performance could not be achieved under the policy

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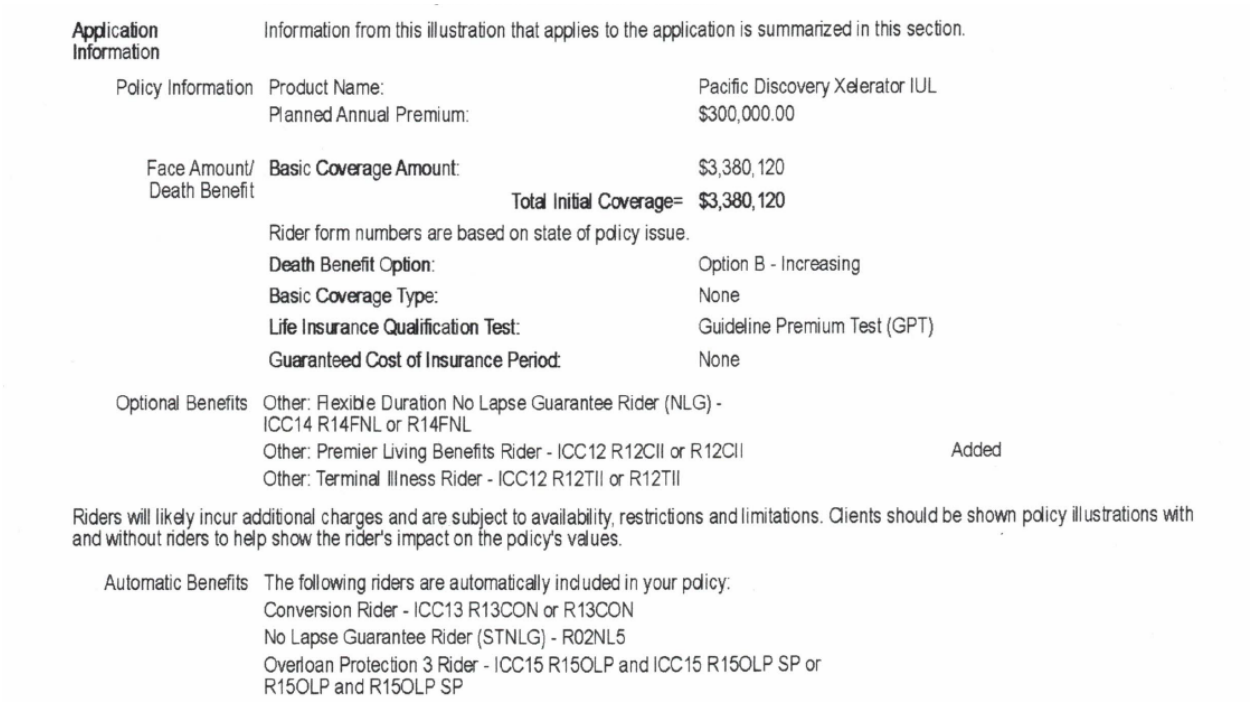
design being implemented, and that the strategy exposed Plaintiffs to substantial, undisclosed long-term risk.

105. In Plaintiffs' policy, the Dixons selected a structure combining Death Benefit Option B (Increasing Death Benefit) with 100% Basic Coverage for an extraordinarily large face amount of $3,380,120, which Pacific Life approved.



Application Information	Information from this illustration that applies to the application is summarized in this section.		
Policy Information	Product Name:	Pacific Discovery Xelerator IUL	
	Planned Annual Premium:	$300,000.00	
Face Amount/ Death Benefit	Basic Coverage Amount:	$3,380,120	
	Total Initial Coverage=	$3,380,120	
	Rider form numbers are based on state of policy issue.		
	Death Benefit Option:	Option B - Increasing	
	Basic Coverage Type:	None	
	Life Insurance Qualification Test:	Guideline Premium Test (GPT)	
	Guaranteed Cost of Insurance Period:	None	
Optional Benefits	Other: Flexible Duration No Lapse Guarantee Rider (NLG) - ICC14 R14FNL or R14FNL		
	Other: Premier Living Benefits Rider - ICC12 R12CII or R12CII		Added
	Other: Terminal Illness Rider - ICC12 R12TII or R12TII		
Riders will likely incur additional charges and are subject to availability, restrictions and limitations. Clients should be shown policy illustrations with and without riders to help show the rider's impact on the policy's values.			
Automatic Benefits	The following riders are automatically included in your policy:		
	Conversion Rider - ICC13 R13CON or R13CON		
	No Lapse Guarantee Rider (STNLG) - R02NL5		
	Overloan Protection 3 Rider - ICC15 R15OLP and ICC15 R15OLP SP or R15OLP and R15OLP SP		

Exhibit 6.

106. These elections operated to manufacture an inflated Target Premium, maximizing commissionable premium and internal carrier revenue while providing no corresponding benefit to policy sustainability or performance for Plaintiffs.

107. Under Pacific Life's compensation grids, Basic Coverage is fully commissionable and carries materially higher cost-of-insurance charges than renewable term insurance. Using 100% Basic Coverage instead of a blended structure increased agent commissions and internal Pacific Life compensation.

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108. The Dixons further designed the policy so that Death Benefit Option B would apply in policy year one to inflate Target Premium and commissions, then switch to Death Benefit Option A (Level) beginning in policy year two, after commissions were locked in.

109. The illustrations show an initial death benefit exceeding $3,500,000, which later collapsed to approximately $479,000 by policy year eleven, confirming that the early structure was knowingly temporary and compensation-driven.

110. From inception, the Pacific Life policy sold to Plaintiffs was engineered not to maximize value for the policyholder, but to maximize commissions for Pacific Life's distribution network and its agents, the Dixon Defendants. Each structural feature reflected a calculated design choice that transferred value from Plaintiffs to the sellers:

a. **Artificially Inflated Commissions Through Death Benefit Manipulation.** The Dixon Defendants intentionally selected an Increasing Death Benefit (Option B) in the first policy year, which artificially inflates the Target Premium—the commissionable portion of the policy. The initial death benefit exceeded $3,500,000 on a policy funded with retirement savings of approximately $1,500,000. After securing the highest possible commission, the death benefit was switched to Level (Option A), confirming that the inflated structure served no insurance purpose and existed solely to maximize first-year compensation.

b. **Refusal to Use Cost-Reducing Coverage Options.** Pacific Life offers options for agents to reduce compensation by utilizing blended coverage structures incorporating renewable term insurance or ARTR (Additional Reduced Term Rider) coverage. The Dixon Defendants chose not to

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implement any such cost-reducing options, ensuring their commission remained as high as possible at the expense of Plaintiffs' policy performance.

c. **100% Basic Coverage to Maximize Commissionable Premium.** Under Pacific Life's compensation grids, Basic Coverage is fully commissionable and carries materially higher cost-of-insurance charges than renewable term insurance. By selecting 100% Basic Coverage for an extraordinarily large face amount of $3,380,120, the Dixon Defendants maximized the Target Premium, which directly determined their commission payout, while simultaneously increasing the internal cost drag on Plaintiffs' policy.

d. **Deliberate Premium Calibration for Maximum Commission.** The annual premium structure was calibrated not to optimize policy performance or accumulation efficiency, but to ensure the premium fell at or near the maximum commissionable level. A responsible and well-structured policy could have been funded with lower face amounts, blended coverage, and longer payment periods that would have minimized death benefit costs, reduced policy charges, and maximized long-term value for Plaintiffs.

e. **High-Risk Indexed Loan Distributions as a Structural Feature.** The policy was promoted as a vehicle for "tax-free retirement income"—a structure that depends on policy loans rather than true investment returns. These loan-based designs expose policyholders to significant long-term risks, including rising loan interest costs, compounding debt, and potential policy lapse if crediting rates fall short of illustrated assumptions. The RANT

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strategy compounded this risk by layering additional policy loans on top of retirement income loans solely to pay the tax consequences the strategy itself created.

f. **Loan-to-Pay-Taxes as a Concealed Debt Spiral.** The RANT strategy required Plaintiffs to take approximately $60,000 per year in policy loans during years two through six—not for retirement income, but to pay taxes generated by liquidating their 401(k) accounts. These loans began accruing interest immediately, with interest capitalized into the loan balance, creating a compounding debt spiral inside the policy before any retirement income distributions were even contemplated. This feature was never disclosed as a risk; instead, it was presented as a costless mechanism through which the policy would "pay its own taxes."

111. Taken together, the design, illustration, and implementation of the Pacific Life Indexed Universal Life policy sold to Plaintiffs reveal a single, unavoidable conclusion. This policy was never designed to function as a prudent retirement income vehicle.

112. Every critical structural decision, including the artificially inflated death benefit, the use of an increasing death benefit election in the first policy year, the refusal to utilize cost reducing coverage options, the calibration of premiums to maximize Target Premium, and the layering of policy loans to pay taxes created by the strategy itself, served one purpose only.

113. The policy was engineered from inception to extract value from Plaintiffs while shifting long term economic consequences onto them, and its failure was not the

result of market forces or unforeseen events, but the predictable outcome of a compensation driven design that Defendants knew or should have known could not deliver the promised tax-free retirement income.

114. The illustrations further show policy loans of approximately $60,000 per year beginning in year two through year six, not for retirement income, but to pay taxes created by liquidating Plaintiffs' retirement accounts.

115. Beginning in policy year seven, the illustrations depict projected "tax-free retirement income" continuing annually through approximately age 100, based entirely on non-guaranteed assumptions.

116. Pacific Life's own internal compliance and marketing guidelines expressly caution that Indexed Universal Life policies should be considered only for clients who meet specific criteria, including a demonstrated need for life insurance protection, ages generally between 25 and 60, high annual income in excess of $200,000, maximized contributions to qualified retirement plans with a desire to save additional funds, and at least 15 years or more before the first planned policy distribution or loan.

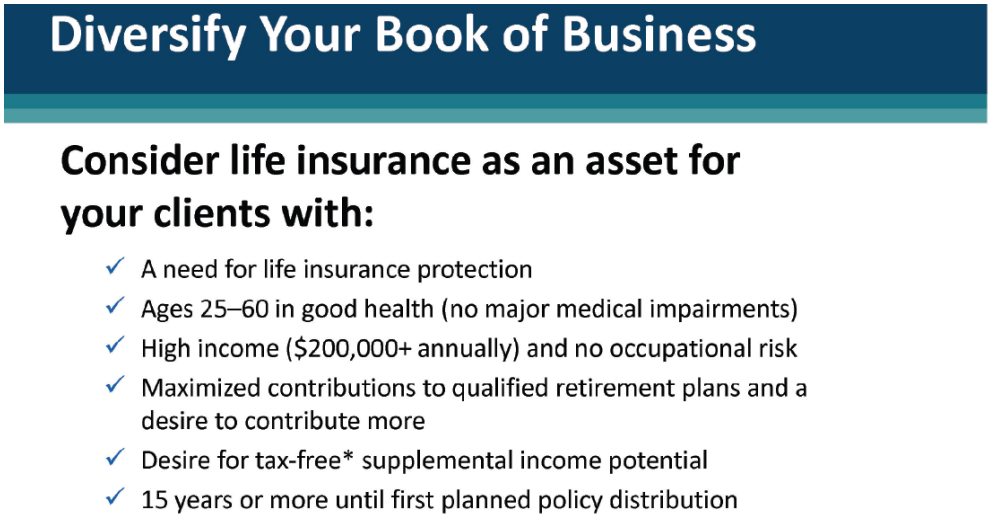

Exhibit 7.

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

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117. Mr. and Mrs. Geib did not meet any of these criteria. Nevertheless, Pacific Life approved the policy design and issued the policy to Plaintiffs, despite its own internal guidance indicating that this type of policy design and the sale of an IUL as a retirement asset were inappropriate and inconsistent with Pacific Life's standards

118. These projections concealed the compounding effect of loans, rising cost-of-insurance charges, volatility of index crediting, and created a false appearance of stability.

119. The opacity of these products made Plaintiffs' reliance on the Dixon Defendants and Pacific Life not only foreseeable but unavoidable. Pacific Life's own illustrations for Richard Geib's policy run over 30 pages of fine print, disclaimers, and actuarial assumptions. The calculations depend on hypothetical 25-year lookbacks, historical index averages, and unverified performance multipliers that no reasonable policyholder could understand without expert assistance.

120. Pacific Life knew that neither of the Plaintiffs possessed the technical background to analyze or model these products and thus owed them a duty of full candor, fair disclosure, and suitability in all design and sales representations.

121. Indexed Universal Life products, and particularly Pacific Life's Pacific Discovery Xelerator (PDX) policies, are among the most complex financial instruments marketed to consumers. These products combine life insurance, derivatives-based index crediting strategies, and variable cost structures that even seasoned financial professionals cannot readily decipher. The policy includes multiple proprietary indices, participation rates, multipliers, caps, thresholds, and riders such as the "Enhanced

Performance Factor," each of which affects performance in ways that cannot be predicted or understood without specialized actuarial and financial training.

122. Pacific Life's own internal product architecture confirms that the PDX structure was designed to appear attractive through illustrations that assume steady, compounded growth while concealing the volatility, performance drag, and cost layers that drive actual results. The illustration presented to Plaintiffs projected millions of dollars in tax-free income based on hypothetical assumptions that Pacific Life knew were unlikely to be sustained over the life of the contract.

123. The policy sold to Plaintiffs depended on a cascading series of non-guaranteed elements, each of which was subject to change at Pacific Life's sole discretion: index crediting rates, participation rates, cap rates, cost-of-insurance charges, administrative charges, premium loads, loan interest spreads, and the availability and terms of performance multipliers. A change in any one of these variables could materially alter the policy's trajectory; changes in multiple variables simultaneously—as occurred here—could cause catastrophic value destruction.

124. The calculations underlying the illustration depend on hypothetical 25-year lookbacks, historical index averages, and unverified performance multipliers that no reasonable consumer could understand without expert assistance. Pacific Life's own illustrations for Plaintiffs' policy run over 30 pages of fine print, disclaimers, and actuarial assumptions, none of which were explained to Plaintiffs in plain language.

125. The extraordinary complexity of the product was compounded by the RANT strategy's additional layers of risk: the strategy required Plaintiffs to liquidate tax-deferred retirement accounts, incur substantial and immediate tax liabilities, and then depend on

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

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the very same complex and non-guaranteed insurance product to generate sufficient returns to (a) repay the tax obligations through policy loans, (b) recover from the drag of those early loans, and (c) still produce the promised tax-free retirement income for life. Each of these dependencies rested on optimistic, non-guaranteed assumptions that Pacific Life controlled and could change at any time.

126. Pacific Life and the Dixon Defendants held themselves out as experts uniquely qualified to navigate these intricate mechanisms, explain their implications, and design a strategy aligned with Plaintiffs' retirement and estate objectives.

127. In reality, that expertise was used to obscure the products' risks, mask excessive internal charges, and present speculative returns as assured outcomes, leaving Plaintiffs dependent on Defendants' superior knowledge and professional judgment.

128. Plaintiffs reasonably relied on the Dixon Defendants and Pacific Life's joint assurances, believing they were receiving coordinated, professional financial and retirement-planning advice rather than a sales presentation.

129. Defendants accepted that trust and confidence, creating a special relationship recognized under South Carolina law in which Defendants owed Plaintiffs fiduciary duties of honesty, disclosure, and prudence in all recommendations and communications relating to the design, sale, and management of their policy.

130. Pacific Life's involvement in the sale to Plaintiffs extended far beyond the passive role of an insurance carrier. Pacific Life generated the illustration used to sell the policy, which bore Pacific Life's whale logo on every page and projected specific dollar

amounts of “tax-free retirement income” that Pacific Life knew were dependent on non-guaranteed assumptions subject to its own discretion.

131. By marketing and structuring its Indexed Universal Life products as “wealth transfer” and “tax-free retirement income” vehicles, Pacific Life voluntarily undertook duties extending beyond the traditional role of an insurer. Through its product design, proprietary illustrations, and compliance-approved sales materials, Pacific Life participated in a strategy that advised on policy structure, funding mechanisms, and tax positioning intended to achieve retirement and estate planning results.

132. Pacific Life’s own illustration for Plaintiffs’ policy specifically depicted policy loans being taken in years two through six to pay tax liabilities—a feature that Pacific Life designed into the illustration at the direction or with the knowledge of its distribution personnel. By incorporating tax-payment loans into its own official illustration, Pacific Life endorsed and facilitated the core premise of the RANT strategy: that the IUL would neutralize the tax consequences of liquidating qualified retirement accounts.

133. Pacific Life’s direct involvement in generating an illustration that depicted policy loans being used to pay taxes, and that projected those loans as sustainable, constitutes active participation in the advisory function. Pacific Life was not a passive issuer of a product; it was a co-architect of the strategy that caused Plaintiffs’ harm.

134. These communications and illustration choices positioned Pacific Life as a co-advisor actively directing the plan rather than a passive insurer. Plaintiffs reasonably believed that the strategy they were adopting had been vetted, modeled, and approved by Pacific Life’s institutional expertise, when, in fact, Pacific Life had generated an illustration it knew was based on assumptions unlikely to be sustained.

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

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135. Unlike a conventional insurance transaction in which the policyholder risks only the premiums paid, the RANT strategy required Plaintiffs to destroy their existing retirement infrastructure as a precondition to participating. Plaintiffs were directed to liquidate their TD Ameritrade 401(k) accounts, tax-deferred retirement savings accumulated over a lifetime of work, and to accept the immediate and irreversible tax consequences of that liquidation.

136. The liquidation of Plaintiffs' qualified retirement accounts triggered substantial federal and state income tax liabilities that Plaintiffs would not have incurred but for Defendants' recommendation. These tax liabilities were not an incidental consequence of the strategy; they were an inherent and foreseeable feature of it.

137. In addition to the direct tax consequences, the liquidation of Plaintiffs' 401(k) accounts had cascading effects on their financial security that Defendants failed to disclose, including: increased adjusted gross income that reduced Social Security benefits through taxation of a greater portion of those benefits; increased Medicare Part B and Part D premiums through Income-Related Monthly Adjustment Amounts (IRMAA) triggered by the artificially elevated income; permanent loss of tax-deferred compounding on retirement assets that had been growing for decades; and elimination of creditor protections afforded to qualified retirement accounts under federal and state law.

138. The irreversibility of these consequences distinguishes this case from a typical insurance mis-sale. Plaintiffs cannot undo the 401(k) liquidation, cannot recapture the lost tax-deferred status, cannot reverse the Social Security and Medicare consequences, and cannot recover the decades of compounding growth that their retirement savings would have generated in a suitable investment. The harm is structural,

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

permanent, and was foreseeable at the time Defendants made their recommendation.

139. Defendants knew or should have known that the RANT strategy would produce these cascading and irreversible consequences. A competent financial or retirement planning professional would have identified these risks, disclosed them to Plaintiffs, and recommended against a strategy that concentrated Plaintiffs' entire retirement security in a single, non-guaranteed insurance product while simultaneously triggering substantial and unavoidable tax liabilities.

140. From the beginning of their dealings with Plaintiffs, Defendants engaged in ongoing misrepresentations and misconduct by repeatedly advising and facilitating the issuance of the Pacific Life IUL policy referenced above for Plaintiffs.

141. By neglecting to provide a transparent and accurate picture of the policies' risks and deviating from their fiduciary responsibilities, Defendants amplified the harm caused to Plaintiffs, violating the trust placed in them and prioritizing profits over their clients' financial well-being.

142. Had Plaintiffs been provided truthful and complete information, they would never have purchased this policy and instead invested in more suitable, sustainable financial products. Instead, they were lulled into a false sense of security by Defendants' assurances that their policy would provide a stable, tax-free retirement income.

143. Throughout the life of the policy, the Dixon Defendants repeatedly instructed Plaintiffs to disregard the official Pacific Life account statements that showed rising charges and declining performance.

144. During annual reviews in response to questions from Plaintiffs about performance, the Dixon Defendants urged them to continue with the plan as outlined and

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

rely exclusively on the initial Pacific Life illustration and the whiteboard presentation of the RANT strategy.

145. The Dixon Defendants, acting for Pacific Life, repeatedly assured Plaintiffs that their premium payments were “final” after a fixed amount of premium payments, and that the policy would then be “fully funded,” when in fact continued payments or policy reductions were necessary to prevent lapse. Those assurances were negligent and misleading and actively concealed the actual funding obligations of these products.

146. These assurances reinforced Plaintiffs’ reliance on Dixon Defendants’ guidance and concealed the growing divergence between the illustrated projections and the policy’s actual financial results.

147. Pacific Life’s own Annual Policy Statement for the policy year June 6, 2023 through June 5, 2024, confirms that Plaintiffs paid $1,500,000.01 in total premiums since policy inception, yet as of June 5, 2024, the policy reflected an Accumulated Value of only $799,731.18 and a Net Cash Surrender Value of approximately $688,272.50, representing a loss of more than half of the premium paid.

148. These results occurred despite a favorable equity market environment during the relevant period. Pacific Life’s statement shows that multiple indexed segments tied to the S&P 500 experienced double-digit index growth, yet the policy nonetheless suffered severe erosion due to internal charges, loan mechanics, and structural cost drag.

149. During the 2023–2024 policy year alone, Pacific Life deducted $165,157.19 in policy charges from the Accumulated Value, including approximately $140,057.76 in expense charges, $17,700.00 in premium load, and additional charges for cost of

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

insurance and riders, confirming that the policy was designed to recover acquisition, distribution, and administrative costs rather than preserve or grow policyholder value.

150. The magnitude and composition of these charges confirm Plaintiffs' allegations that the policy was structured using 100% Basic Coverage, excessive face amount, and commission-optimized design choices that front-loaded costs and guaranteed long-term performance drag.

151. Pacific Life's statement further confirms that the loan-based strategy sold to Plaintiffs as "tax-free" is already failing. As of June 5, 2024, the policy reflected a loan payoff amount of approximately $76,238.66, with loan interest accruing at a stated rate of 4.40%, and with loan interest being capitalized into the loan balance.

152. These loan balances and interest charges reduce net policy value, increase lapse risk, and directly contradict Defendants' representations that policy loans would be neutral, self-sustaining, or cost-free.

153. Contrary to Defendants' representations that the policy would be "fully funded" and self-sustaining after five years, Pacific Life's own records show that the policy remains dependent on favorable non-guaranteed elements, discretionary crediting decisions, and continued cost containment to avoid further deterioration.

154. The Annual Policy Statement confirms that the policy's Death Benefit Option is now Level (Option A), reflecting the post-sale change that followed the initial use of Death Benefit Option B (Increasing) to inflate Target Premium and commissions during the early policy years, as previously alleged.

155. Pacific Life's statement further discloses that the policy includes an Overloan Protection Rider and a Flexible Duration No-Lapse Guarantee Rider, riders

commonly associated with highly leveraged, loan-intensive designs, further confirming that the policy was engineered for aggressive loan extraction rather than conservative retirement planning.

156. The disparity between the policy's illustrated projections and its actual performance is not attributable to market volatility or external factors, but to the policy's structural design, including excessive charges, loan interest compounding, and commission-driven features approved and administered by Pacific Life.

157. Pacific Life's own records therefore corroborate Plaintiffs' allegations that the policy was structurally incapable of delivering the promised "tax-free retirement income", and that the representations made by Defendants at the point of sale were false, misleading, and unsustainable when measured against actual policy performance.

158. As of the most recent Annual Policy Statement, Plaintiffs face the prospect of continued erosion of policy value, increasing loan balances, and the potential loss of remaining retirement capital, confirming that the harm alleged herein is ongoing and irreversible.

159. Pacific Life's Annual Policy Statement confirms that the loan-based strategy sold to Plaintiffs as "tax-free" and self-neutralizing is, in fact, compounding. As of June 5, 2024, the policy reflected a loan payoff amount of $76,238.66, with loan interest charged at a stated rate of 4.40%, and with loan interest being capitalized into the loan balance rather than paid down.

160. The capitalization of loan interest confirms that the policy loans used to pay tax liabilities are not neutral or cost-free, but instead increase policy indebtedness over time, reduce net policy value, and materially increase lapse risk.

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

161. These facts directly contradict Defendants' representations that policy loans could be used to pay taxes without financial consequence, and confirm that the loan-to-pay-taxes scheme created a hidden and compounding debt spiral within the policy.

162. Pacific Life's statement further confirms that the policy is now operating under a Level Death Benefit (Death Benefit Option A), with a Total Face Amount of $3,414,764.00 and a Net Death Benefit of $3,338,525.34, reflecting a post-sale death benefit configuration.

163. This post-sale configuration is consistent with Plaintiffs' allegations that the policy was initially designed using Death Benefit Option B (Increasing) to inflate Target Premium and commissionable premium during early policy years, and then switched to Death Benefit Option A after commissions were earned and locked in.

164. The sequencing of death benefit elections confirms that the policy design prioritized compensation and premium recovery rather than suitability, long-term sustainability, or Plaintiffs' retirement objectives.

165. Defendants' misrepresentations of the economic consequences of the policy design at issue were not discoverable by Plaintiffs through ordinary diligence. The effects of Target Premium inflation, Basic Coverage concentration, unrecovered acquisition cost capitalization, commission adjustment factors, and planned future death benefit reductions operate through internal carrier calculations, actuarial assumptions, and administrative elections that are not disclosed in plain language and cannot be derived from policy documents or illustrations.

166. Pacific Life and the Dixon Defendants possessed exclusive knowledge of these mechanics and controlled their implementation, creating a profound information

asymmetry that prevented Plaintiffs from understanding the true risks and costs of the strategy and mandated their reliance on Defendants.

167. The RANT strategy amplified this information asymmetry to an extreme degree. Plaintiffs were asked to make an irreversible decision—liquidating their lifetime retirement savings—based on an illustration whose internal mechanics they could not evaluate, in reliance on assurances from agents whose commission incentives they did not know, using a product whose cost structure, loan mechanics, and long-term sustainability depended entirely on variables controlled by Pacific Life that Plaintiffs had no ability to monitor, model, or verify.

168. At the time these representations were made, Defendants knew or should have known that the illustrated performance could not be achieved under the policy design being implemented. Defendants possessed internal knowledge of Target Premium effects, Basic Coverage cost drag, commission structures, loan interest compounding, and historical performance data demonstrating that the design required additional funding or reduced benefits to avoid early erosion and lapse. This knowledge was not disclosed to Plaintiffs.

169. Plaintiffs could not independently evaluate the mechanics, economics, or real-world operation of the policy, regardless of their diligence. The policy's performance and sustainability depended on opaque, carrier-controlled variables—including Target Premium engineering, compensation recovery, internal charges, cost-of-insurance calculations, loan interest mechanics, and future administrative elections—that were neither disclosed nor intelligible to policyholders. The illustrations and policy documents did not explain how these elements interacted in practice, leaving Plaintiffs unable to

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

assess the true risks, costs, or viability of the strategy without relying on Defendants' expertise and assurances.

170. Plaintiffs allege that Defendants used illustrations and policy designs that appeared compliant on their face but concealed internal mechanics, charge structures, and compensation-driven design choices that Defendants knew would prevent the policy from performing as illustrated. These concealed defects were not discoverable upon receipt of the policy and were revealed only when Defendants demanded additional premium payments years later.

171. The material facts concealed by Defendants could not have been discovered through ordinary diligence or by reading the policy documents or illustrations. The policies' failure mechanisms operated through internal carrier calculations, administrative elections, and compensation recovery processes not disclosed in any consumer-facing document. Plaintiffs could not reasonably have discovered these facts without access to Defendants' internal data and knowledge, and they were not permitted access to these internal documents. These materials were concealed from Plaintiffs.

172. Any signatures obtained in connection with the policy and illustrations did not reflect informed consent. Plaintiffs were not asked to select or approve key design inputs, and were not presented alternative illustrations showing the effect of different coverage mixes, lower Target Premium structures, or the impact of varying crediting assumptions, and were not informed that the illustration they reviewed was based on hypothetical, non-guaranteed projections that Pacific Life could, and did, alter through its own discretionary decisions.

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

173. Plaintiffs signed documents in reliance on the superior knowledge, representations, and assurances of the Dixon Defendants and Pacific Life, not as a reflection of independent understanding of the underlying mechanics. The documents were presented as part of a seamless process in which the Dixon Defendants controlled the narrative, timing, and content of every disclosure.

174. Plaintiffs also reasonably believed that the Dixon Defendants and Pacific Life had an incentive to exercise due care in preparing and submitting accurate policy designs and illustrations because the Dixon Defendants would be paid commissions only if the carrier issued the policy, and Pacific Life would collect substantial premiums and charges only if the policy remained in force. Plaintiffs reasonably expected that a carrier and its appointed producers would not design and approve a plan that was structurally incapable of delivering the results being represented.

175. In addition to the widespread misconduct and fundamental flaws in these policy designs, Pacific Life failed Plaintiffs by allowing the Dixons to design and sell this type of policy to Plaintiffs.

176. Upon information and belief, beginning in 2018, shortly after the Geib application was submitted, Pacific Life conducted an internal investigation into the Dixons' sale of inappropriate indexed universal life products and terminated Christopher and Samuel Dixon as Pacific Life producers in or around early 2019.

177. Pacific Life did not disclose its concerns, findings, or termination decision to Plaintiffs, even though earlier disclosure would have allowed Plaintiffs to mitigate losses and salvage retirement assets.

178. Upon information and belief, Pacific Life's investigation revealed that the Dixon Defendants had engaged in improper sales practices, including the use of misleading marketing, falsified suitability information, and unsuitable policy recommendations. Despite these findings, Pacific Life took no steps to notify Plaintiffs that the agents who had designed and sold their policy had been terminated for cause.

179. Pacific Life's silence was not neutral. By failing to disclose the termination and its basis, Pacific Life allowed Plaintiffs to continue relying on the original representations, to continue paying premiums, and to continue taking policy loans to pay tax liabilities, all in reliance on a strategy that Pacific Life had determined was improperly sold. Each additional premium payment and each additional policy loan deepened Plaintiffs' losses and reduced their ability to salvage their retirement assets.

180. Had Pacific Life disclosed its concerns to Plaintiffs at the time of the Dixon termination in early 2019, Plaintiffs could have sought independent advice, evaluated their options, and potentially mitigated their losses while sufficient policy value remained. Pacific Life's decision to remain silent while continuing to collect premiums, administer charges, and capitalize loan interest constitutes a separate and independent breach of its duties to Plaintiffs.

181. At no time prior to late 2024 did Plaintiffs know, or could they reasonably have known through the exercise of reasonable diligence, that Defendants had misrepresented the nature, design, and risks of the RANT strategy and the Pacific Life Indexed Universal Life policy.

182. From policy issuance forward, Defendants repeatedly reassured Plaintiffs that the policy was performing as designed, instructed them to disregard Pacific Life

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

account statements, and directed them to rely exclusively on illustrations promising tax-free retirement income after five years.

183. Defendants and their agents responded to any policy questions with false reassurances, continued advisory involvement, and affirmative concealment of material facts, including the existence of complaints, internal investigations, and the termination of the Dixon Defendants by Pacific Life.

184. Plaintiffs did not discover, and could not reasonably have discovered, Defendants' misconduct until the fall of 2024. Until that point, Plaintiffs reasonably believed they were participating in a legitimate retirement strategy and had no reason to suspect that their retirement savings had been diverted into a structurally defective, commission driven scheme.

185. Upon information and belief, the Dixon Defendants marketed and implemented the RANT strategy, or substantially similar strategies involving the liquidation of qualified retirement accounts and redeployment into Pacific Life Indexed Universal Life policies, to numerous other consumers in South Carolina and elsewhere. The strategy was not a one-time recommendation tailored to Plaintiffs' unique circumstances; it was a systematic, replicable sales campaign designed to be applied across a broad class of retirees and pre-retirees.

186. Upon information and belief, the Dixon Defendants used identical or substantially similar design features with other clients, including inflated face amounts, Death Benefit Option B, 100% Basic Coverage, short-pay funding, and premium timing engineered to maximize Target Premium and first-year compensation. These designs were not selected for client benefit, but to extract the highest possible commission and to

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

maximize internal bonus, override, and production credit compensation within Pacific Life's distribution system.

187. Upon information and belief, Pacific Life was aware or should have been aware that the Dixon Defendants were marketing the RANT strategy as a retirement planning solution to consumers in South Carolina, that the strategy involved the systematic liquidation of qualified retirement accounts, and that the resulting policy designs relied on aggressive, non-guaranteed assumptions and loan-dependent structures that Pacific Life knew were unlikely to perform as illustrated.

188. Pacific Life's investigation and termination of the Dixon Defendants in or around early 2019 confirms that Pacific Life had actual knowledge of the Dixons' improper sales practices. Despite this knowledge, Pacific Life failed to notify Plaintiffs, failed to offer remediation, and continued to administer the policy and collect charges and loan interest, allowing the harm to compound.

189. This conduct constitutes an unfair and deceptive act that is capable of repetition and has, in fact, been repeated. The RANT strategy and substantially similar IUL liquidation schemes continue to be marketed by insurance agents and producers throughout the United States, targeting retirees with promises of tax-free income while concealing the structural risks, commission incentives, and long-term unsustainability of the underlying products.

190. Plaintiffs are but two of dozens, if not hundreds, of consumers who were induced to dismantle their retirement savings through this or substantially similar strategies. The systematic nature of this conduct, its deliberate targeting of vulnerable retirees, and its capacity for repetition establish that Defendants' practices affect the

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

public interest and warrant both compensatory relief and deterrent sanctions sufficient to prevent continuation of this conduct.

191. Defendants' combined conduct continued false assurances, intentional concealment, and repeated misstatements delayed discovery of the wrongdoing and caused Plaintiffs to continue paying premiums long after the policy had become unsustainable.

192. As a direct and foreseeable result of Defendants' misconduct, Plaintiffs lost their entire retirement savings, incurred hundreds of thousands of dollars in tax liabilities, and suffered reductions in their Social Security income and increases in their Medicare costs.

193. As a further direct and foreseeable consequence of Defendants' combined misconduct, Plaintiffs have suffered significant out-of-pocket losses, lost investment opportunity, emotional distress, financial instability, and uncertainty about their future at a time in life when Plaintiffs cannot replace their losses.

FIRST CAUSE OF ACTION
(Negligence – Dixon Defendants)

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

195. The Dixon Defendants held themselves out to Plaintiffs and the public as retirement planners, specializing in "helping retirees and pre-retirees" in "similar situations" to "simplify their lives and gain greater confidence and clarity in their financial futures."

196. At all times relevant, the Dixon Defendants undertook to render insurance planning, retirement-advisory, and financial-planning services to Plaintiffs. In doing so,

they owed Plaintiffs a duty to exercise reasonable and ordinary care under the circumstances presented by Plaintiffs' financial situation and objectives.

197. Plaintiffs reposed their confidence and trust in the Dixon Defendants' superior knowledge and expertise, creating a special relationship recognized under South Carolina law that imposed duties of loyalty, prudence, and full disclosure.

198. By providing financial advice, the Dixon Defendants assumed a duty to exercise reasonable care, skill, diligence, and prudence under the circumstances presented by Plaintiffs' financial situation and financial objectives.

199. As professionals engaged in insurance, tax, and retirement planning, the Dixon Defendants were required to exercise the same degree of care, skill, and prudence that a reasonably prudent insurance or financial professional would exercise under similar circumstances. This included duties to:

a. conduct adequate due diligence on the products and strategies recommended;
b. ensure that any life-insurance recommendation was suitable and sustainable given Plaintiffs' age, income, liquidity, and retirement objectives;
c. disclose all material facts and risks associated with the proposed policy; and
d. avoid conflicts of interest and self-dealing.

200. The Dixon Defendants failed in that duty by recommending an unsuitable product, mischaracterizing its risks, and ignoring the tax consequences that were certain to harm Plaintiffs.

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

201. The actions and inaction of the Dixon Defendants as set forth in this Complaint were negligent, grossly negligent, reckless, willful, and wanton, knowing, and intentional.

202. The conduct of the Dixon Defendants in the design, promotion, marketing, recommendation, and sale of the RANT strategy and the IUL policy constituted imprudence, negligence, gross negligence, recklessness, bad faith, and willful misconduct in one or more of the following particulars:

a. By placing their own interests ahead of Plaintiffs' by promoting, marketing, recommending, and selling a risky and flawed insurance, financial, and retirement planning strategy that was imprudent, uninformed, unsuitable, negligent, and reckless for Plaintiffs;

b. By failing to conduct meaningful due diligence on the design, structure, and risk profile of the Pacific Life Indexed Universal Life policy they recommended;

c. By misrepresenting that the IUL policy would be fully funded and self-sustaining after a limited series of payments, when they knew or should have known that continued funding was required to prevent lapse;

d. By failing to disclose the material risks associated with the IUL policy, including cost-of-insurance increases, market volatility, policy underperformance, and potential for early lapse;

e. By failing to disclose material risks associated with using qualified retirement funds to pay life insurance premiums, including tax liabilities and the significant deviation of policy performance from initial illustrations;

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

f. By misrepresenting to Plaintiffs that the RANT plan and IUL policy was a suitable and prudent retirement planning vehicle for them, when the underlying mechanics rendered it structurally unsound and misaligned with Plaintiffs' goals;

g. By failing to advise and monitor the policy as market conditions and crediting assumptions shifted over time, triggering significant deviation in policy performance from the initial illustrations;

h. By failing to ensure continued suitability and oversight, including a lack of any adjustment or re-evaluation as market conditions and policy performance significantly deviated from the initial illustrations;

i. By failing to ensure accurate and complete client understanding of material risks, including the actual contractual mechanics of the policy;

j. By recommending and implementing a loan-based strategy to pay tax liabilities that caused loan interest to compound and be capitalized into the policy, increasing policy indebtedness, eroding net policy value, and materially increasing lapse risk, contrary to representations that such loans would be neutral or cost-free;

k. By designing and recommending a policy structure that utilized an initial increasing death benefit election and 100% Basic Coverage to inflate Target Premium and compensation, followed by a post-sale switch to a level death benefit election after commissions were earned, without regard to Plaintiffs' long-term retirement objectives or policy sustainability;

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

l. By failing to disclose that the policy was structured with riders and features commonly associated with highly leveraged, loan-intensive designs, including Overloan Protection and No Lapse Guarantee riders, which are inconsistent with conservative retirement planning and preservation of capital;

m. By continuing to reassure Plaintiffs that the policy remained sound and "fully funded" despite mounting internal charges, compounding loan balances, and material erosion of policy value reflected in carrier-issued annual statements;

n. By failing to disclose that the policy's performance was dependent on non-guaranteed elements subject to carrier discretion, and that actual performance net of charges would be materially lower than illustrated, despite knowing or having reason to know this fact.

203. At all relevant times, Black Harbor and Oxford Advisory Group acted as the operational platforms through which the Dixon Defendants marketed, sold, and received compensation for the Pacific Life policy at issue.

204. Black Harbor and Oxford Advisory Group are therefore vicariously liable for Dixon's acts and omissions under principles of agency and respondeat superior and directly liable for their own failure to supervise, train, and monitor Dixon's advisory conduct and marketing representations.

205. Defendants' actions and omissions were negligent, grossly negligent, reckless, and carried out with conscious disregard for Plaintiffs' rights and interests. Their

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

conduct was marked by indifference to professional standards, intentional concealment of material risks, and misuse of fiduciary trust.

206. As a direct result of the Dixon Defendants' negligence, Plaintiffs lost their retirement savings, incurred hundreds of thousands of dollars in tax liabilities, and suffered reductions in their Social Security income and increases in their Medicare costs.

207. As a direct and proximate result of the negligent conduct of the Dixon Defendants, Plaintiffs suffered substantial financial losses, and Plaintiffs are entitled to an award of actual and punitive damages.

208. Plaintiffs are entitled to recover all actual and consequential damages resulting from Defendants' conduct, including the return of all premiums paid, lost investment opportunity, and the full measure of financial harm sustained as a result of Defendants' misrepresentations, negligence, and breach of duty.

209. In addition, Plaintiffs seek recovery for emotional distress and the costs of correcting and mitigating the financial damage caused by Defendants' wrongful acts.

210. Defendants' conduct was willful, wanton, and malicious, demonstrating a conscious disregard for Plaintiffs' rights and financial welfare, and therefore justifies an award of punitive damages to punish and deter similar misconduct in the future.

SECOND CAUSE OF ACTION
(Negligence – Pacific Life)

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

212. Defendant Pacific Life Insurance Company is licensed to offer and issue indexed universal life insurance policies in South Carolina.

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

213. As an insurer offering these complex products, Pacific Life owed a duty to Plaintiffs to exercise reasonable care in the design, marketing, underwriting, supervision, and sale of its insurance products, and in the appointment, training, and oversight of its producers.

214. Pacific Life is liable for its own negligence, and it is also liable under the doctrine of respondeat superior and/or vicarious liability for the wrongful acts of its agents, the Dixon Defendants.

215. A principal may not act through agents it has clothed with authority and then disclaim liability when the consequences of those acts prove harmful.

216. Pacific Life accepted the benefits of the policy sale and must also bear the consequences of its failure to supervise, monitor, and ensure the appropriateness of that sale.

217. At all times relevant to the events described in this Complaint relating to the solicitation, sale, and application to Pacific Life, the Dixons were appointed agents and insurance producers for Pacific Life Insurance Company, and Pacific Life was their principal.

218. The actions and inaction of the Dixons as set forth in this Complaint were negligent, grossly negligent, reckless, willful, and wanton, knowing, and intentional.

219. At all times relevant to the events described herein, the Dixons were acting within the course and scope of their agency with Pacific Life and as such, Pacific Life is responsible and liable for the acts and omissions of the Dixons and its other agents and employees under the doctrine of respondeat superior and the law of the State of South Carolina.

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

220. Pacific Life benefited directly from their conduct through the receipt of premiums, policy fees, and commissions, and is therefore vicariously liable for all resulting harm to Plaintiffs.

221. Pacific Life clothed its agents with all the trappings of authority, provided them with proprietary illustration software, branding, compliance guides, marketing portals, and online access to carrier-generated documents used in the sales process.

222. Pacific Life reviewed and approved the application submitted by the Dixons, and issued the policy based on illustrations that bore the Pacific Life name and logo.

223. Plaintiffs had no reason to believe the Dixon Defendants were acting independently of Pacific Life.

224. Pacific Life also ratified the wrongful acts and omissions of the Dixon Defendants by accepting and retaining the substantial premiums generated through their sales.

225. Pacific Life's acceptance of the benefits of these transactions, coupled with its silence and inaction in the face of clear red flags, constitutes ratification of its agents' misconduct and renders Pacific Life jointly and severally liable for all resulting damages.

226. Pacific Life is also liable for its own negligence. At all times relevant, in undertaking to render investment advisory services and provide investment and financial advice to Plaintiffs, Pacific Life owed Plaintiffs a duty of reasonable, ordinary care under the circumstances presented by Plaintiffs' financial situation and objectives.

227. Pacific Life also breached its duty to exercise due care in the supervision of its agents and authorized producers, including the Dixons, which caused Plaintiffs harm.

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

228. In addition to the duties alleged above, Pacific Life Insurance Company undertook a duty of reasonable care when it received complaints regarding the Dixons' marketing and sale of Pacific Life Indexed Universal Life policies in South Carolina and initiated an internal investigation into those practices.

229. By undertaking that investigation, evaluating the Dixons' conduct, and ultimately terminating them as Pacific Life producers in or around early 2019, Pacific Life assumed a duty to exercise reasonable care to protect existing policyholders, including Plaintiffs, from further harm arising out of the same misconduct.

230. Pacific Life breached that duty by failing to warn Plaintiffs that the agents who designed, marketed, and sold their retirement strategy had been investigated and terminated for violations of Pacific Life's policies, procedures, and sales guidelines.

231. Pacific Life further breached its duty by continuing to service Plaintiffs' policy, accept premium payments, and allow Plaintiffs to remain in a high-risk, structurally defective policy for years after learning of the Dixons' misconduct, without disclosure or corrective action.

232. At the time Pacific Life failed to warn Plaintiffs, it knew or should have known that Plaintiffs were continuing to pay substantial premiums, incur tax liabilities, and rely on the policy as a retirement income vehicle based on representations made by agents Pacific Life had determined were unfit to sell or service its products.

233. Had Pacific Life exercised reasonable care after undertaking its investigation, including by notifying Plaintiffs of the Dixons' termination and the underlying reasons for it, Plaintiffs could have mitigated damages, reevaluated the policy, ceased premium payments, or exited the arrangement before suffering additional losses.

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

234. Pacific Life's failure to act after undertaking its investigation was not a passive omission, but an affirmative breach of its duty of care that proximately caused Plaintiffs to pay more than one million dollars in additional premiums and incur substantial additional tax and opportunity costs after the Dixons had been terminated.

235. As its agent, Pacific Life had a duty and obligation to train the Dixons on its life insurance products and appropriate marketing and sales strategies related to those products.

236. Pacific Life failed to train or adequately train the Dixons on its life insurance products and appropriate marketing and sales strategies related to those products.

237. As its agents, Pacific Life had a duty and obligation to monitor the Dixons to ensure that they were marketing and selling Pacific Life insurance products in accordance with Pacific Life's policies, procedures, and compliance requirements.

238. Pacific Life breached its duty to supervise the Dixons in the following ways:

a. By placing its own financial interests ahead of Plaintiffs', prioritizing premium volume and internal compensation metrics over the suitability and sustainability of the policy sold;

b. By accepting and approving an application containing inflated financial information, including a false statement of net worth that tripled Plaintiffs' disclosed assets;

c. By failing to verify or correct the falsified suitability information;

d. By authorizing the Dixons to use that illustration without adequate explanation of the risk;

e. By allowing the utilization of the 100% Base coverage design combined

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

with increasing death benefit which resulted in higher target premium, commissions, bonuses to Pacific Life employees, and no benefit to Plaintiffs;

f. By failing to inform Plaintiffs that Pacific Life had investigated and terminated the Dixons as authorized producers;

g. By allowing the Dixons to present the Pacific Life illustration without safeguards or clarifications; and

h. By failing to monitor the policy after its issuance.

239. In one or more of the preceding particulars, Pacific Life and its agents acted with imprudence, negligence, gross negligence, recklessness, willful misconduct, fraudulent intent, and bad faith and thereby breached the common law duties of care owed to Plaintiffs, proximately causing Plaintiffs to suffer damages.

240. Pacific Life is independently and vicariously liable for the negligent acts and omissions of its appointed agents, the Dixon Defendants, under established principles of agency and respondeat superior. Acting within the scope of their actual and apparent authority, the Dixon Defendants designed, illustrated, and sold the subject Pacific Life IUL policy using company-approved materials, carrier-issued software, and illustrations bearing Pacific Life's name and logo.

241. Pacific Life expressly authorized and benefited from their conduct through the collection of premiums, policy fees, and commissions. By failing to properly train, supervise, and monitor its appointed producers, and by allowing misleading illustrations and unapproved sales practices to persist, Pacific Life breached its own duty of care and is liable for all resulting losses suffered by Plaintiffs.

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

242. As a direct and proximate result of Pacific Life's negligence, Plaintiffs suffered significant out-of-pocket losses, lost investment opportunity, emotional distress, financial instability, and uncertainty about their future.

243. These damages were the predictable and foreseeable outcome of Pacific Life's disregard of its duties in the design, approval, and oversight of the policy sold to Plaintiffs.

244. Plaintiffs are entitled to recover all actual and consequential damages arising from Pacific Life's negligence, including the return of premiums paid, the loss of compounding investment gains, and the costs incurred to correct and mitigate the financial harm caused by Pacific Life's conduct.

245. Pacific Life's actions were willful, wanton, and malicious, reflecting a conscious disregard for Plaintiffs' rights and financial welfare, and therefore justify an award of punitive damages to punish and deter similar misconduct in the future.

THIRD CAUSE OF ACTION
(Unfair Trade Practices – All Defendants)

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

247. As set forth above, Defendants, acting jointly and in concert, engaged in unfair methods of competition and unfair or deceptive acts and practices in the conduct of trade or commerce.

248. Defendants' conduct offended public policy, was immoral, unethical, oppressive, unscrupulous, and substantially injurious to consumers.

249. Pacific Life, acting directly and through its authorized producers Christopher Dixon and Samuel Dixon, implemented a deliberate scheme of deception that

misrepresented its Indexed Universal Life policies as conservative, self-funding, and sustainable “tax-free retirement” vehicles while concealing their complexity, cost, and volatility.

250. By employing company-branded illustrations, proprietary marketing materials, and coordinated sales scripts, Pacific Life and its agents misled Plaintiffs into believing they were purchasing a professionally managed retirement strategy rather than speculative, high-cost insurance contracts.

251. As alleged more particularly above, Defendants engaged in unfair and deceptive trade practices and acted intentionally, willfully, and with reckless disregard for Plaintiffs’ rights and for the established policy in this State, and further acted in a manner that was deceptive, immoral, unethical, and unscrupulous, as follows:

a. By soliciting the purchase of a life insurance policy by deceptively describing it as a “tax-free retirement” strategy;

b. By recommending a financial and retirement planning strategy that involved the conversion of Plaintiffs’ existing savings into an unsuitable IUL policy;

c. By recommending and encouraging Plaintiffs to adopt the IUL strategy, purchase and continue to fund an IUL policy with the knowledge that doing so was not in Plaintiffs’ best interest;

d. By recommending and encouraging Plaintiffs to adopt the IUL strategy, purchase and continue to fund an IUL policy knowing that it was not likely to perform as illustrated and would consequently cause them harm;

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

e. By failing to conduct any meaningful suitability analysis or stress testing, thereby misrepresenting that the design was safe, low-risk, and compliant with regulatory guidelines;

f. By soliciting the complete liquidation of Plaintiffs' qualified retirement accounts and redeployment into a commission-driven insurance product, while representing that strategy as a conservative retirement plan with no out-of-pocket costs;

g. By misusing advisory titles such as "Registered Financial Consultant," "retirement planner," and "wealth management specialist" to imply professional expertise and independence, while in fact operating solely as commission-compensated insurance agents;

h. By generating and approving an illustration that depicted policy loans being used to pay tax liabilities, and that projected those loans as sustainable and cost-free, while knowing or having reason to know that loan interest would compound and be capitalized;

i. By promoting a loan-based "tax-free retirement" strategy while knowing or having reason to know that loan interest would compound and be capitalized, increasing policy indebtedness and lapse risk;

j. By structuring the policy with an initial increasing death benefit election and 100% Basic Coverage to inflate Target Premium and commissions, followed by a post-sale switch to a level death benefit after compensation was earned;

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

k. By marketing policies that included Overloan Protection and No Lapse Guarantee riders commonly associated with highly leveraged, loan-intensive designs, while simultaneously representing the strategy as conservative and low-risk;

l. By continuing to market the IUL strategy as compliant, safe, and appropriate despite carrier-issued statements showing substantial capital erosion, compounding loan balances, and extraordinary internal charges;

m. By failing to deliver the Buyer's Guide and Policy Summary required by South Carolina law prior to policy delivery, depriving Plaintiffs of mandatory consumer disclosures intended to enable informed decision-making; and

n. In other such ways as may be revealed through discovery.

252. Such unfair acts and practices constitute willful and knowing violations of the South Carolina Unfair Trade Practices Act, S.C. Code Ann. §§ 39-5-10, et seq. (1976) (as amended).

253. Defendants' conduct was capable of repetition, affected the public interest, and warrants the imposition of statutory damages and injunctive relief sufficient to punish Defendants and deter similar misconduct in the future.

254. The unfair and deceptive acts and practices committed by Defendants impact the public interest because they are part of a longstanding pattern of deception, creating the potential for repetition and continuation of said conduct absent some deterrence.

255. Defendants' unfair and deceptive acts and practices further impact the public interest because Pacific Life had actual knowledge of complaints, regulatory

scrutiny, and misconduct involving the Dixon Defendants' marketing and sale of Indexed Universal Life policies in South Carolina, yet failed to disclose that information to affected policyholders and allowed deceptive sales practices to continue. This concealment created an ongoing risk to consumers beyond Plaintiffs and reflects a pattern of conduct capable of repetition absent judicial intervention.

256. Plaintiffs are but two of dozens, if not hundreds, of South Carolina residents who were induced into participating in the IUL strategy by the unfair and deceptive conduct of these Defendants.

257. The Dixon Defendants continue to advertise their financial planning services, focusing particularly on retirement planning, putting other members of the public at risk.

258. The Dixon Defendants were acting as Pacific Life's agents when they marketed their own services as financial advice, and when they used Pacific Life's misleading marketing materials to sell the IUL policy as an investment vehicle.

259. Plaintiffs reasonably relied on Defendants' false representations, omissions, and Pacific Life's institutional reputation in deciding to purchase the policy. Plaintiffs would not have done so had they been informed of the true nature and risk of the products.

260. Defendants' misrepresentations and omissions about the policy's tax treatment, performance assumptions, and funding requirements were material and intended to deceive.

261. Defendants' unfair and deceptive acts and practices are not exempt from liability under the South Carolina Unfair Trade Practices Act by virtue of the Insurance

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

Trade Practices Act. The Pacific Life Indexed Universal Life policy was marketed, illustrated, and sold to Plaintiffs not as insurance to cover a specific loss, but as a "tax-free retirement" investment strategy and financial planning solution. Where an insurer markets and sells a life insurance policy as an investment vehicle and retirement income product, such conduct constitutes trade or commerce within the scope of SCUTPA.

262. Defendants' conduct affected the public interest because it was not an isolated incident, but part of a repeatable sales pattern and standardized marketing strategy, including the branded "Retirement Approach No Tax" program, uniform illustrations, and commission-driven policy designs, which were deployed to multiple South Carolina consumers. Pacific Life's receipt of complaints, regulatory scrutiny, internal investigation, and termination of the Dixon Defendants further demonstrate the potential for repetition absent judicial intervention.

263. Defendants' unfair and deceptive acts and practices were compounded when Pacific Life, after learning of complaints and initiating an internal investigation into the Dixons' sales practices, failed to disclose that information to Plaintiffs and continued to accept premiums under a retirement strategy designed by agents it had terminated. This concealment itself constitutes an unfair and deceptive act in trade or commerce.

264. As a direct and proximate result of Defendants' willful and deceptive conduct, Plaintiffs suffered substantial financial losses, and Plaintiffs are entitled to an award of actual and punitive damages, treble damages pursuant to S.C. Code Ann. § 39-5-140(a), and attorneys' fees and costs.

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

FOURTH CAUSE OF ACTION
(Negligent Misrepresentation – All Defendants)

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

266. At all times relevant, Defendants were in the business of designing, marketing, and selling life-insurance and financial-planning products, and held themselves out as possessing superior knowledge, skill, and expertise in the areas of retirement and estate planning, tax strategy, and insurance design.

267. In the course of soliciting, recommending, and selling the RANT strategy and Pacific Life IUL policy to Plaintiffs, Defendants made the following representations, among others:

a. That the RANT strategy was a superior retirement planning solution that would outperform Plaintiffs' existing 401(k) accounts;

b. That the policy would be fully funded and self-sustaining after five years of premium payments;

c. That the policy would generate approximately $98,392 per year in tax-free retirement income through approximately age 100;

d. That tax liabilities generated by liquidating Plaintiffs' 401(k) accounts could be paid through policy loans with no out-of-pocket cost and no financial consequence to the policy;

e. That the strategy involved "no loss, tax-free growth, and no RMD";

f. That Plaintiffs could simply request checks from Pacific Life to pay the IRS; and

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

g. That the policy was a safe, conservative, and institutionally engineered retirement plan.

268. Each of these representations was negligent, false, or misleading when made. The policy could not self-fund or produce lifetime tax-free income under realistic assumptions, and the strategy's dependence on policy loans to pay taxes created a compounding debt spiral that was structurally destined to erode policy value.

269. Defendants did not present these representations as mere opinions, estimates, or hypothetical projections. They were presented as factual statements about how the RANT strategy and Pacific Life IUL policy would function, including specific promises regarding funding duration, tax treatment, income amounts, and sustainability, and were conveyed as reliable features of the plan rather than speculative assumptions.

270. Defendants knew or should have known that Plaintiffs would rely on Pacific Life's illustrations as accurate representations of how the policy was expected to perform, particularly where Defendants instructed Plaintiffs to disregard actual policy statements and instead rely exclusively on those illustrations as the true measure of performance.

271. Plaintiffs' reliance was reasonable notwithstanding any generalized disclaimers or non-guarantee language, because Defendants' specific affirmative representations regarding funding, tax treatment, and retirement income directly contradicted the risks later disclosed in fine print, and Defendants held themselves out as professionals qualified to explain and contextualize those risks.

272. Pacific Life independently contributed to the negligent misrepresentations by generating, approving, and distributing the illustrations and marketing materials that formed the basis of Defendants' representations, and by failing to correct or withdraw

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

those materials despite knowledge that the policy design and loan assumptions rendered the illustrated outcomes unrealistic.

273. Defendants made these representations without exercising reasonable care or competence to ensure their truth or accuracy. The Dixon Defendants relied on Pacific Life's illustration and repeated those misstatements to Plaintiffs without independent verification of whether the illustrated outcomes were achievable.

274. Defendants further omitted material facts they were obligated to disclose, including:

a. That the policy's performance depended on non-guaranteed crediting rates and carrier-controlled variables subject to change at Pacific Life's sole discretion;

b. That policy loans to pay taxes would accrue interest, be capitalized into the loan balance, and create compounding indebtedness that would erode policy value;

c. That ongoing cost-of-insurance charges and administrative expenses would consume a substantial portion of premium in the early policy years;

d. That the 401(k) liquidation would trigger irreversible tax consequences, Social Security reductions, and Medicare cost increases;

e. That the policy would require continued favorable conditions to avoid lapse; and

f. That the Dixon Defendants had a direct financial conflict of interest through commissions and overrides tied to the sale.

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

275. Plaintiffs reasonably relied on these representations and omissions. They believed, based on Defendants' superior knowledge and professional credentials, that the RANT strategy was safe, suitable, and sustainable, and that Pacific Life stood behind the advice given by its authorized producers.

276. Pacific Life is liable for all negligent misrepresentations and omissions made by its authorized producers and agents under established principles of agency and respondeat superior. At all relevant times, the Dixon Defendants acted within the course and scope of their actual and apparent authority as Pacific Life's appointed producers, using Pacific Life's name, proprietary illustration software, marketing materials, and internal sales support.

277. Pacific Life accepted and retained the benefits of that conduct, including premiums, policy charges, and commissions, and exercised the right to appoint, train, supervise, discipline, and terminate its agents. Accordingly, Pacific Life is liable for the acts and omissions of the Dixon Defendants under the doctrines of respondeat superior and vicarious liability, and may not disclaim responsibility for misconduct committed by agents it clothed with authority and held out to the public as its representatives.

278. As a direct and proximate result of Defendants' negligent misrepresentations and omissions, Plaintiffs suffered substantial damages, including out-of-pocket losses, lost investment opportunity, permanent loss of tax-deferred retirement assets, emotional distress, financial instability, and the loss of the retirement security they had spent decades building.

279. Defendants' negligent misrepresentations were material, foreseeable, and made in the course of trade and commerce. Plaintiffs are entitled to recover all

compensatory and consequential damages proximately caused by Defendants' conduct, together with punitive damages to punish and deter similar misconduct.

PRAYER FOR RELIEF

WHEREFORE, having set forth their claims, Plaintiffs pray for a judgment against Defendants as follows:

a. For actual damages in an amount to be proven at trial, including out-of-pocket losses, lost investment opportunity, and loss of policy value and benefits;

b. For consequential damages proximately caused by Defendants' conduct;

c. For punitive damages in an amount to be determined by the finder of fact, as Defendants' conduct was willful, wanton, and malicious and demonstrates a reckless indifference to Plaintiffs' rights;

d. For prejudgment interest at the highest legal rate;

e. For treble damages pursuant to S.C. Code Ann. § 39-5-140(a);

f. For reasonable attorneys' fees pursuant to S.C. Code Ann. § 39-5-140(a);

g. For the costs of this action; and

h. For other such relief as is just, equitable, and proper.

JURY DEMAND

Plaintiffs demand a trial by jury on all claims so triable.

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

ELECTRONICALLY FILED - 2026 Feb 11 12:35 PM - ANDERSON - COMMON PLEAS - CASE#2026CP0400321

Respectfully submitted,

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