

GOVERNOR RICK SCOTT

WEEKLY AGENCY REPORT

OFFICE OF FINANCIAL REGULATION

WEEK ENDING January 28, 2016

Successes for Week Ending January 28, 2016

1. Licensing and Registration

- Division of Securities
 - Applications Received: 1,123
 - Applications Approved: 1,145
 - Applications Denied/Withdrawn: 2

- Division of Consumer Finance
 - Applications Received: 342
 - Applications Approved: 381
 - Applications Denied/Withdrawn: 12

- Division of Financial Institutions
 - Applications Received: 1
 - Applications Approved: 0
 - Applications Denied/Withdrawn: 0

2. Regulatory Sanctions

Final Order for \$12,500 Fine Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On January 20, 2016, the Division of Securities entered a final order against Allegiant Financial Advisors, LLC and Eric Nathal for engaging in prohibited business practices by failing to maintain an accurate Form ADV, file audited financial statements, prepare and maintain brochure supplements and send clients itemized invoices. A \$12,500 administrative fine was paid.

Final Order for \$12,500 Fine Against an Investment Adviser Firm for Prohibited Business Practices

On January 25, 2016, the Division of Securities entered a final order against Standfast Asset Management, LLC for engaging in prohibited business practices by failing to maintain an accurate Form ADV and timely file financial statements. A \$12,500 administrative fine was paid.

Final Order for \$3,000 Fine Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On January 25, 2016, the Division of Securities entered a final order against Blueskye Investment Advisers, LLC and Dakota Lawrence for engaging in

prohibited business practices by failing to maintain an accurate Form ADV, file audited financial statements, maintain required net capital, timely notify the OFR of the firm's net capital deficiency, send clients itemized invoices and to comply with the custody requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. A \$3,000 administrative fine was paid.

3. Enforcement Results

Convicted Ponzi Schemer Sentenced to More Than 17 Years in Prison

On January 22, 2016, Joseph Paul Zada of Wellington, was sentenced to 210 months in federal prison to be followed by three years' supervised release for his role in orchestrating and perpetuating a Ponzi scheme that operated for more than 10 years before being discovered in 2009. Zada, who at the peak of his fraud maintained lavish residences in Grosse Pointe Shores, Mich., and in Wellington, was actually a low wage horse trainer when he contrived and initiated the scheme. Using a façade of wealth, he preyed on the wealthy, including a six-time equestrian Olympic medalist. Zada purportedly told his victims that he was an expert in oil futures, that he sat on the board of directors of a major oil company, that he was an heir to a Saudi oil sheik and was the financial manager for a Russian ice hockey player. The joint FBI/IRS/OFR investigation determined that from 1998 through 2009, Zada sold more than \$50 million in promissory notes that purported to pay annual rates of return between 7 and 12 percent. The investors were led to believe Zada would use their money to invest in oil ventures. An analysis of bank records revealed, however, that instead of using the investors' money to invest in oil ventures, Zada used the money to support his extravagant lifestyle and to pay returns to earlier investors. The prison sentence resulted from a six-week jury trial in September 2015, in which Zada was found guilty of 15 counts of mail fraud. A restitution hearing is scheduled for March 18, 2016.

New Issues

No new issues to report this week.