

# GOVERNOR RICK SCOTT

## WEEKLY AGENCY REPORT

### OFFICE OF FINANCIAL REGULATION

WEEK ENDING MARCH 5, 2015

#### Successes for Week Ending March 5, 2015

#### 1. Licensing and Registration

- Division of Securities
  - Applications Received: 1,077
  - Applications Approved: 928
  - Applications Denied/Withdrawn: 8
  
- Division of Consumer Finance
  - Applications Received: 363
  - Applications Approved: 382
  - Applications Denied/Withdrawn: 19
  
- Division of Financial Institutions
  - Applications Received: 0
  - Applications Approved: 1

#### 2. Regulatory Sanctions

##### Final Order for \$5,000 Fine Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On February 27, 2015, the Division of Securities entered a final order against Steadfast Financial Services, Inc., and Raymond L. Johnson, Jr., for engaging in prohibited business practices by failing to accurately disclose written investment advisory contracts, send clients itemized invoices, and comply with the custody requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. A \$5,000 administrative fine was paid.

##### Final Order for \$5,000 Against an Investment Adviser Firm for Failure to File Financial Statements

On February 27, 2015, the Division of Securities entered a final order against Tackett Wealth Management, LLC, for failure to timely and properly file financial statements. A \$5,000 administrative fine was paid.

#### 3. Enforcement Actions

##### Hillsborough County Man Arrested for Sale of Unregistered Securities

On February 26, 2015, Allan Michael Roth of Tampa, was arrested on 34 counts of selling unregistered securities and 34 counts of selling securities without being registered as a dealer, associated person or issuer. Roth allegedly represented

to at least 20 investors that he was working for Jaco Financial, LLC, in Palm Harbor and was selling shares of stock in BizRocket.com (BZRT). Roth was licensed by the Financial Industry Regulatory Authority (FINRA) from January 1990 through September 2011 as a securities broker. From January through May, 2012, Roth solicited 20 investors by telephone and in-person, some of whom include former clients, to purchase stock in BZRT, a Nevada Company based in Coral Springs, Florida. BZRT was purportedly being marketed as the next “Facebook for kids,” a social network with safeguards for children. Roth is alleged to have represented to investors that he was registered to sell securities and guaranteed a substantial return on investment in a short period of time. However, Roth was not registered to sell securities in 2012 and failed to disclose that BZRT was not a registered security. Roth collected \$295,465.69 from investors for purchase of 29,330,000 shares of Bizrocket.com. Though not registered, BZRT shares were traded on the over-the-counter market until trading was suspended in September 2012 by the Securities and Exchange Commission. The trading suspension was based on the SEC’s charge that the company was making unfounded representations in its press releases. Roth is being held on \$340,000 bail. This case is being prosecuted by the Pinellas County State Attorney’s Office. The OFR is the sole investigative agency on this case.

[Press Release: Tampa Man Arrested in Penny Stock Scam](#)

#### Tarpon Springs Man Arrested for Securities Fraud

On February 27, 2015, John Edward Simpson of Tarpon Springs, was arrested and charged with selling unregistered securities, selling securities without being registered as a broker, securities fraud, and grand theft. Simpson is alleged to have represented to at least 20 investors across the country that his company, Defense Technology Corporation (DTC), had developed a security system to be manufactured and marketed to schools and universities in the United States. According to investors, Simpson represented DTC was going public soon and that their funds would be used to manufacture the security system and pay for legal fees incurred in taking DTC public. Simpson issued stock and promissory notes in DTC but never established any revenue or customers. Contrary to representations, the majority of investors’ funds were purportedly not used to further the business, but instead was used to pay Simpson’s “salary” and personal living expenses. The OFR is responsible for all of the investigative work in this case. Simpson was arrested by the Tarpon Springs Police Department. The Pinellas County State Attorney’s Office is prosecuting the case. Bond has been set at \$250,000. The OFR’s investigation is ongoing.

[Press Release: Tarpon Springs Man Arrested for Securities Fraud](#)

## **New Issues**

### **1. Communications and Outreach Activities**

On February 27, 2015, Commissioner Drew J. Breakspear presented at the Manatee Chamber of Commerce luncheon in Bradenton. Approximately 20 attendees listened as the Commissioner discussed the health of the financial services industry in Florida.