

GOVERNOR RICK SCOTT

WEEKLY AGENCY REPORT

OFFICE OF FINANCIAL REGULATION

WEEK ENDING MARCH 16, 2017

Successes for Week Ending March 16, 2017

1. Licensing and Registration

- Division of Securities
 - Applications Received: 1,093
 - Applications Approved: 1,119
 - Applications Denied/Withdrawn: 17

- Division of Consumer Finance
 - Applications Received: 640
 - Applications Approved: 701
 - Applications Denied/Withdrawn: 19

- Division of Financial Institutions
 - Applications Received: 1
 - Applications Approved: 2
 - Applications Denied/Withdrawn: 1

2. Regulatory Actions

Final Order for \$7,500 Fine Against an Associated Person for Unregistered Activity

On March 9, 2017, the Division of Securities entered a final order against Terrence Wassel for engaging in unregistered investment advisory activities. A \$7,500 administrative fine was paid.

Final Order for \$10,000 Fine Against a Broker Dealer Firm for Prohibited Business Practices

On March 9, 2017, the Division of Securities entered a final order against Raymond James & Associates, Inc., for engaging in prohibited business practice by failing to enforce, create and maintain written supervisory procedures relating to non-registered residential locations. A \$10,000 administrative fine was paid.

Termination and Two-Year Bar of an Investment Adviser Firm and Associated Person for Violations of Rules

On March 9, 2017, the Division of Securities entered a final order against Alpha Investment Advisory and Management, Inc., and Paul M. Rogers for violations of rules by failing to maintain an accurate Form ADV, maintain an accurate Form U-4, file a written Form ADV, Part 2, create and file an accurate brochure

supplement, offer and deliver the firm's brochure to clients, file complete annual financial statements and maintain current investment advisory client suitability information. In addition, the firm and Mr. Rogers exercised discretionary authority without written authority, misrepresented Mr. Rogers' qualifications, made false statements about historical returns, used advertisements containing false and misleading statement and did not provide clients agreements disclosing accurate advisory fee percentages. Pursuant to the final order, the firm will withdraw its registration as an investment adviser with the state of Florida, and Paul Rogers and Alpha Investment Advisory and Management, Inc., are barred for two years from affiliating or seeking future registration as a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, F.S.

Final Order for \$12,500 Fine Against an Investment Adviser Firm and Associated Person for Violations of Rules

On March 9, 2017, the Division of Securities entered a final order against Joseph A Barbetta, sole proprietorship and Joseph Anthony Barbetta for violations of rules by failing to maintain an accurate Form ADV, maintain an accurate Form U-4, file audited financial statements, maintain required net capital, timely notify the OFR of the firm's net capital deficiency, send clients itemized invoices, maintain accurate investment advisory agreements and comply with the custody and safekeeping requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. In addition, the firm used advertisements containing false and misleading statement. A \$12,500 administrative fine was paid.

Permanent Bar Against Unregistered Firms and an Associated Person

On March 10, 2017, the Division of Securities entered a final order against The Bracket Club, LLC, The National Network of Organ Donors, Inc., and Arthur Howard Brownstein, permanently barring them from affiliating or seeking future registration as a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, F.S. The Bracket Club, LLC, The National Network of Organ Donors, Inc., and Mr. Brownstein were found to have offered and sold unregistered securities and engaged in securities business in Florida without being registered.

Final Order for \$35,800 Against a Check Casher/ Deferred Presentment Provider for Prohibited Business Practices

On March 10, 2017, the Division of Consumer Finance entered a final order against Alltrust Financial Co., and Susan Lewis for failing to endorse payment instruments it cashed, maintain copies of personal identification presented for cashing a payment instrument and maintain an electronic log for payment instruments cashed over \$1,000. Additionally, the respondent failed to document deferred presentment transactions in a written agreement, include their correct registration number on the written agreements, for presenting some drawer's check before the end of the deferment period, maintain receipts for deferred

presentment transactions that were redeemed in cash, maintain bank statements, timely pay examination fees and notify the OFR of a change in bank account information.

Final Order for \$49,300 Against a Check Casher/ Deferred Presentment Provider for Prohibited Business Practices

On March 10, 2017, the Division of Consumer Finance entered a final order against Giromas Inc., and Dulima Carrillo for depositing payment instruments into an account other than their own commercial account, failure to maintain copies of personal identification presented for a cashing a payment instrument, maintain records of customer thumbprints, maintain a complete electronic log of payment instruments cashed, endorse payment instruments it cashed, filing quarterly reports which contained false information and failure to timely pay examination fees.

Final Order for \$22,600 Against a Check Casher for Prohibited Business Practices

On March 10, 2017, the Division of Consumer Finance entered a final order against Moody Harb Services, Inc., and Muhammad Harb for failure to file currency transaction reports on payment instruments cashed with a value over \$10,000, maintain copies of personal identification presented for cashing a payment instrument, maintain complete customer files for each entity listed as the payee on a corporate payment instrument that exceeds \$1,000, maintain the required attestation that customer files were reviewed annually and notify the OFR of a change in bank account information within 30 days of the change.

Final Order for \$12,250 Against a Check Casher for Unlicensed Activity

On March 10, 2017, the Division of Consumer Finance entered a final order against Coastal Cash and Loans, LLC for acting as a check casher without a license.

New Issues

1. Communications and Outreach Activities

On March 8, 2017, several members of the Division of Financial Institutions participated in the Florida Directors College and Executive Forum sponsored by the National Association of State Credit Union Supervisors in Orlando.