

GOVERNOR RICK SCOTT

WEEKLY AGENCY REPORT

OFFICE OF FINANCIAL REGULATION

WEEK ENDING MARCH 19, 2015

Successes for Week Ending March 19, 2015

1. Licensing and Registration

- Division of Securities
 - Applications Received: 1,140
 - Applications Approved: 1,080
 - Applications Denied/Withdrawn: 5

- Division of Consumer Finance
 - Applications Received: 305
 - Applications Approved: 288
 - Applications Denied/Withdrawn: 9

- Division of Financial Institutions
 - Applications Received: 3
 - Applications Approved: 2

2. Enforcement Actions

Fines Sought Against Broward County Loan Broker in Alleged Advance Fee Scam

On March 6, 2015, an administrative complaint was filed against respondent Andrew Mangini and his company, First Solutions, Inc., d/b/a Credit One. Mangini, a resident of Broward County, is alleged to have used the internet to lure unsuspecting victims into applying for loans that he had no ability or intention to fund. Mangini allegedly targeted consumers online by offering to assist them in obtaining unsecured loans in exchange for an upfront fee. The OFR investigation revealed more than 150 consumers were charged an illegal advance fee of \$499 on the promise of a loan. No one is believed to have obtained a loan as a result of submitting an online application to the respondents. The OFR is responsible for all of the investigative work in the case. As part of the administrative complaint, the OFR is seeking \$700,000 in fines.

[Press Release: Company Charged with Assessing Illegal Loan Fees](#)

Hillsborough County Man Arrested for Organized Fraud

On March 12, 2015, Francis Joseph Balkum, III, was arrested on one count of organized fraud related to his role in an alleged fraudulent investment offering and loan scheme. Balkum, the CEO of RX Financial Corporation (RX) in Tampa, is alleged to have sold promissory notes to investors who believed their money

would be used to fund loans to the healthcare industry. According to investors, Balkum claimed that the funds would be used by medical facilities for capital expenditures and their investments were guaranteed against loss. From April 2008 through March 2012, RX received approximately \$290,000 from at least five Florida investors. Contrary to his representations, however, the OFR investigation revealed that none of the investors' funds were ever loaned to prospective borrowers as represented by Balkum. Simultaneous with the investment scheme, Balkum is also alleged to have been engaged in an advance fee for loan scheme targeting the same medical practitioners and facility administrators who were supposed to receive the investment funds. Balkum would allegedly prepare a "Proposal Letter" and charge the medical practitioner a "refundable proposal fee" ranging from \$650 to \$24,000 on the promise of securing a loan. From April 1, 2009 through January 31, 2014, Balkum received approximately \$600,000.00 in proposal fees. The investigation found no evidence that Balkum closed or facilitated any loans to any of the prospective borrowers. Instead, the investigation revealed that, in addition to paying personal expenses and credit cards, the majority of the funds received by Balkum went towards payments of interest and principal to investors and refunds to prospective borrowers. The OFR is responsible for all of the investigative work in the case. Balkum was arrested by deputies of the Hillsborough County Sheriff's Office. The Office of Statewide Prosecution is prosecuting this case. Balkum is being held on \$15,000 bond.

Unlicensed Check Casher in Miami Focus of Agency Action

On March 6, 2015, an administrative complaint was filed against respondent Marcos Ortega and his company, Marcorteg, Inc. The complaint resulted from the findings of an OFR investigation that began with information from a confidential source. Marcorteg, a convenience store, gas station, automobile repair facility, barber shop and car wash located in Miami, was alleged to be operating as an unlicensed check casher. The OFR investigation revealed that from December 12, 2013, through April 11, 2014, Marcos Ortega, owner and operator of Marcorteg, Inc., cashed 42 third party checks with a face value exceeding \$2,000 per check. Neither Ortega nor Marcorteg, Inc., is registered with the OFR as a check casher or with FinCen as a money services business and neither is exempt from the requirement to do so. The OFR is responsible for all of the investigative work in the case. As part of the administrative complaint, the OFR is seeking a \$280,000 fine.

New Issues

No new issues to report this week.