

GOVERNOR RICK SCOTT

WEEKLY AGENCY REPORT

OFFICE OF FINANCIAL REGULATION

WEEK ENDING APRIL 2, 2015

Successes for Week Ending April 2, 2015

1. Licensing and Registration

- Division of Securities
 - Applications Received: 1,236
 - Applications Approved: 1,249
 - Applications Denied/Withdrawn: 11

- Division of Consumer Finance
 - Applications Received: 404
 - Applications Approved: 414
 - Applications Denied/Withdrawn: 6

- Division of Financial Institutions
 - Applications Received: 0
 - Applications Approved: 1

2. Enforcement Actions

Former Mayor of North Miami Sentenced in Multi-Million Dollar Mortgage Fraud Scheme

On March 24, 2015, U.S. District Judge Robert Scola Jr., sentenced Marie Lucie Tondreau to 65 months in prison to be followed by three years of supervised release. The sentence follows a December 16, 2014, jury verdict which found Tondreau guilty of four counts of wire fraud against a financial institution and one count of conspiracy to commit wire fraud against a financial institution. In an indictment issued in May 2014, Tondreau and three other defendants (Karl Oreste [president of KMC], Okechukwu Josiah Odunna, and Kelly Augustin) were accused of wire fraud in connection with mortgage loans obtained through KMC. Tondreau in particular played an important role in helping KMC Mortgage and co-defendant Karl Oreste perpetuate the scheme by using her political, activist and “celebrity” status to recruit Haitian-American straw buyers through several radio talk shows that she hosted on behalf of KMC Mortgage. Listeners who responded to the radio ads were recruited by Oreste and Tondreau to become straw buyers of residential property throughout South Florida in exchange for compensation. The defendants told the prospective buyers that they would make the required mortgage payments on the loans and the buyers’ names would be removed from the properties within a year. Once the defendants identified properties for purchase, KMC submitted fraudulent loan applications and other

related documents to various lenders on behalf of straw buyers who were paid between \$5,000 and \$15,000 for the use of their credit. Tondreau, and at least one other defendant, used her business to provide false employment verifications for those buyers. The defendants also created multiple Form HUD-1 Settlement Statements in order to conceal the fact that the loans were for amounts greater than the seller's asking price, resulting in substantial cash proceeds being redirected to the defendants at closing. These additional proceeds were appropriated by the defendants without the lenders' knowledge or consent. The defendants made mortgage payments until they ran out of money, causing the lenders to foreclose on the properties and suffer losses of over \$17 million. The majority of the outsized proceeds received from the fraudulent loan applications were used for the personal benefit of the defendants. Tondreau's co-defendant, Karl A Oreste, was previously sentenced to eight years and four months in federal prison to be followed by five years of supervised release for his role in the scheme. Oreste was also ordered to pay \$8,215,197.28 in restitution to mortgage lenders. Marie Lucie Tondreau was elected mayor of the city of North Miami in June 2013. She was suspended in May 2014, following the unsealing of the indictment. Tondreau's restitution hearing is scheduled for May 22, 2015. This investigation was developed jointly with the FBI and was prosecuted by Assistant U.S. Attorney Lois Foster-Steers.

[Press Release: Former North Miami Mayor Sentenced in Multi-Million Dollar Mortgage Fraud Scheme](#)

Defendant in Precious Metals Scam Sentenced to 15 Years in Prison

On March 27, 2015, Christopher Anzalone was sentenced to 15 years in federal prison to be followed by three years of supervised release for his role in an elaborate investment fraud scheme involving purported investments in precious metals and stocks. Anzalone was also ordered to pay restitution to investors in the amount of \$16 million. The sentencing order follows Anzalone's January 9th guilty plea to a charge of conspiracy to commit wire fraud. Anzalone sold fraudulent investments under various corporate names including Liberty International Holdings Corporation (LIHC), Liberty International Financial Services (LIFS), Allied Strategies, Inc., Allied Marketing, LLC, and DBA Clearing, LLC. The OFR's investigation, which focused exclusively on investments related or made through the Allied entities, revealed that Anzalone and certain co-defendants raised \$3.3 million from 23 investors within a six month period (March 2013-October 2013). Allied investors were led to believe that the company's holdings of LIHC stock increased the company's value due to LIHC's ownership of real estate and precious metals. In actual fact, however, LIHC had no holdings of real estate or precious metals. The investigation's analysis of financial records revealed that the money raised by Allied from investors was never used for the purposes represented to its investors, but instead was used to pay sales commissions and for Anzalone's personal living expenses. The money raised by Anzalone and his associates through the various companies named in the criminal filings totaled more than \$16 million. Anzalone's co-defendants in the case, Jacob Bradshaw, David O. Boyce and Benjamin Williams were also

charged with various offenses including mail fraud, wire fraud and conspiracy to commit mail and wire fraud. Williams pled guilty and will be sentenced on April 29th. Boyce and Bradshaw pled guilty and will be sentenced on May 27th. This investigation was developed jointly with the FBI. The U.S. Attorney's Office in Miami prosecuted the case.

Loan Broker Arrested in Alleged Advance Fee Fraud that Victimized Hundreds

On March 30, 2015, Ivan Levy, CEO of Regency Financial Services, LLC, was arrested by the Palm Beach County Sheriff's office after having been charged with nine counts of collecting unlawful advance fees as a loan broker. Levy is alleged to have collected in excess of \$300,000 from victims who were in financial duress, falling behind in their car payments and fearful of having their vehicles repossessed. Victims sought to renegotiate or refinance their auto loans through Levy's websites, credit-yogi.com and carpaymenthelpcenter.com. Levy allegedly called victims saying he was a broker, falsely offering guaranteed auto refinancing in exchange for an advance fee of \$499 payable in cash via bank deposits into his account. Victims were told to use Levy's corporate name on the deposit making it difficult to determine who and how many victims gave cash to Levy. Once the payment was received, Levy would end all communication. No victim is known to have obtained financing or a refund of their advance fee payments. Levy is believed to have conducted business from his home in Boynton Beach for the past three years and is not licensed as a consumer finance company, lender, or retail installment sales contract provider. This case was developed jointly with the Boynton Beach Police Department and is being prosecuted by the Palm Beach County State Attorney's Office. A trial date has not yet been set.

[Press Release: Boynton Beach Man Arrested in Advance Fee Loan Scheme](#)

New Issues

1. Communications and Outreach Activities

On April 1, 2015, the OFR issued a press release celebrating Financial Literacy Month.

[Press Release: Florida Celebrates Financial Literacy Month](#)