

GOVERNOR RICK SCOTT

WEEKLY AGENCY REPORT

OFFICE OF FINANCIAL REGULATION

WEEK ENDING April 7, 2016

Successes for Week Ending April 7, 2016

1. Licensing and Registration

- Division of Securities
 - Applications Received: 1,131
 - Applications Approved: 1,064
 - Applications Denied/Withdrawn: 15

- Division of Consumer Finance
 - Applications Received: 195
 - Applications Approved: 219
 - Applications Denied/Withdrawn: 10

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 - Applications Denied/Withdrawn: 0

2. Regulatory Sanctions

Final Order for \$13,000 Fine Against an Investment Adviser Firm Associated Person for Unregistered Activity

On March 29, 2016, the Division of Securities entered a final order against Northstar Financial Companies, Inc., and Steven Girard for engaging in unregistered investment advisory activities. A \$13,000 administrative fine was paid.

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

On March 31, 2016, the Division of Securities entered a final order against Skybox Asset Management, LLC and Mark A. Manges for engaging in prohibited business practices by failing to maintain an accurate Form ADV, file audited financial statements, provide clear advisory contracts, send clients itemized invoices and statements 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.

3. Enforcement Results

South Florida Attorney Pleads Guilty in \$8 Million Mortgage Fraud Scheme

On March 30, 2016, Angel Garcia-Oliver, a Coral Gables attorney, entered a guilty plea to charges of conspiracy to commit bank and wire fraud in connection with a multi-million dollar mortgage fraud scheme. The plea was entered in U.S. District Court for the Middle District of Florida. Garcia-Oliver was the principal of Garcia-Oliver & Mainieri, P.A., a law firm which acted as the closing agent for fraudulently obtained mortgage loans, alleged to have been issued to straw buyers working with Tribute Residential, LLC. Garcia-Oliver, or employees working at his direction, served as settlement agents and conducted dozens of real estate closings for condominium units owned by Tribute, including Cypress Pointe in Orlando and the Villas at Lakeside in Oviedo. The investigation revealed that Garcia-Oliver knowingly facilitated the closing of condominium sales at falsely inflated prices using mortgage loan proceeds obtained from financial institutions based on misrepresentations. The investigation revealed that these mortgage loans were made to credit-worthy straw buyers who, without the lenders' knowledge or consent, had been recruited by other defendants in the scheme to act as borrowers in exchange for compensation. The inflated property valuations allowed the sellers in the transactions, also co-conspirators in the scheme, to sell the homes for significantly more than market value. The proceeds from the sales would then be divided amongst the participants in the scheme. Losses suffered by mortgage lenders as direct result of Garcia-Oliver's conduct exceed \$8.25 million. This investigation was part of the U.S. Attorney's Middle District of Florida Mortgage Fraud Initiative and was developed jointly with the FBI and the Federal Housing Finance Agency. Additional defendants in this case are pending indictment or trial.

New Issues

1. Communications and Outreach Activities

On March 9, 2016, a member of the Division of Financial Institutions participated in a regulator panel at the Florida International Bankers Association Anti Money Laundering Conference in Miami.

On April 1, 2016, Jason Booth, Bureau Chief of Registration for the Division of Consumer Finance, was re-appointed for a two-year term on the Mortgage Testing & Education Board (MTEB). The MTEB is responsible for the oversight of mortgage loan originator required testing, pre-licensing and continuing education and related procedures. The MTEB also acts in an advisory capacity regarding the policies and procedures by which the Nationwide Multistate Licensing System (NMLS) meets the S.A.F.E. Act testing and education requirements on a national level. In his first term on the MTEB, Jason was involved in investigating incidents where test taker or education rules may have been violated, implementing policies concerning test expiration, test score invalidations and revising Administrative Action Procedures for S.A.F.E. Testing and Education investigations.