

GOVERNOR RICK SCOTT

WEEKLY AGENCY REPORT

OFFICE OF FINANCIAL REGULATION

WEEK ENDING April 14, 2016

Successes for Week Ending April 14, 2016

1. Licensing and Registration

- Division of Securities
 - Applications Received: 1,114
 - Applications Approved: 1,145
 - Applications Denied/Withdrawn: 7

- Division of Consumer Finance
 - Applications Received: 222
 - Applications Approved: 203
 - Applications Denied/Withdrawn: 34

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 - Applications Denied/Withdrawn: 0

2. Regulatory Sanctions

Final Order for \$2,500 Fine Against an Associated Person for Failure to Disclose Regulatory Sanctions

On April 6, 2016, the Division of Securities entered a final order against Paul Franklin Berlin for failing to timely report the surrender and restriction of his insurance license, by the Florida Department of Financial Services, in June 2015. Pursuant to the final order, Berlin agreed to pay a \$2,500 administrative fine and not to submit an application for registration prior to February 25, 2017.

Suspension of an Associated Person's Registration for FINRA Sanctions

On April 6, 2016, the Division of Securities entered a final order against RFO Wealth Advisors, LLC, RFO Investment Advisors, LLC and James C. Eastman, suspending Eastman's registration as an associated person with RFO Wealth Advisors, LLC and RFO Investment Advisors, LLC for six months. Eastman was the subject of a suspension and fine by FINRA, a national securities association.

Final Order for \$7,000 Fine Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On April 6, 2016, the Division of Securities entered a final order against

Key Capital Advisors, Inc., and Andrew C. De Araujo for engaging in prohibited business practices by failing to maintain an accurate Form ADV, maintain a written advisory contract and timely file financial statements. A \$7,000 administrative fine was paid.

Final Order Revoking a Check Casher License for Failure to Pay an Administrative Fine and Examination Costs

On April 6, 2016, the Division of Consumer Finance entered a final order against Brother & Sister Corp., d/b/a Hernandez Cash Express and Luis Hernandez, Jr., revoking their check casher license for failure to comply with a previous final order and ordering the payment of an administrative fine and examination costs.

Final Order for \$12,000 Fine Against a Check Casher for Prohibited Business Practices

On April 6, 2016, the Division of Consumer Finance entered a final order against Check Cash & More, Inc., and Azucena Sanchez for engaging in prohibited business practices by failing to maintain customer files on customers who cash corporate checks exceeding \$1,000, properly maintain a payment instrument log for checks cashed in excess of \$1,000 and failure to file required currency transaction reports. An administrative fine of \$12,000 was ordered to be paid within 30 days of the final order.

Final Order for \$19,000 Fine Against a Check Casher for Prohibited Business Practices

On April 6, 2016, the Division of Consumer Finance entered a final order against El Mariachi Loco, Inc., Rosalia Holmlund and Kenneth Holmlund for engaging in prohibited business practices by failing to properly endorse payment instruments accepted, failing to affix a thumbprint of the conductor to each original payment instrument cashed in excess of \$1,000, failing to properly maintain an electronic payment instrument log of checks cashed in excess of \$1,000, failing to obtain a copy of acceptable personal identification bearing the photograph of a person cashing a check and failing to notify the OFR of the change in bank accounts used for check cashing activity. A \$19,000 administrative fine was paid.

Final Order for \$5,000 Fine Against a Mortgage Lender for Prohibited Business Practices

On April 5, 2016, the Division of Consumer Finance entered a final order against SOFLO:AM, LLC d/b/a Dreams Investment Group and Herold Pierre for engaging in prohibited business practices by failing to file an annual audited financial statement for the OFR.

3. Enforcement Results

North Port Accountant Arrested in Advance Fee for Loan Scheme

On April 8, 2016, certified public accountant Mark J. Klingel was arrested by Sarasota County Sheriff's Deputies on a charge of communications fraud, a first degree felony. Klingel's arrest results from his alleged involvement in an

elaborate advance fee for loan fraud that operated from his accounting firm (Mark J. Klingel CPA, LLC) in North Port. On March 24, 2016, co-defendant in the case, Stephen Eugene Hummell, was arrested by Cobb County Sheriff's Deputies at his home in Marietta, Georgia. Hummell was charged in Florida with communications fraud and eight counts of loan broker fraud. Hummell's arrest warrant included an order to extradite him from anywhere in the United States. Hummell has been held in the Cobb County jail without bond pending extradition to Sarasota County. Hummell and Klingel are accused of assessing and collecting more than \$1.2 million in advance fees from prospective borrowers on the promise of obtaining business loans. Evidence obtained during the course of the investigation suggests that the loss to prospective borrowers both within and outside of the state is likely greater than \$2 million. From October 2009 through June 2014, Hummell and Klingel are alleged to have used a website, www.capitalfirstinvestorsgroup.com, to offer loans to prospective borrowers via the internet. This website is no longer operational, but previously listed Hummell as the "Managing Director" and Klingel as the "Government Contracts/Financial Consultant" for the business. Hummell maintained an office at Klingel's CPA firm in North Port. They are believed to have victimized more than 50 prospective borrowers throughout the U.S., 10 of whom are believed to be Florida residents. No business loans or refunds have ever materialized. The OFR Bureau of Financial Investigations was the sole investigative agency in this case with valuable assistance from the OFR Division of Consumer Finance. Sarasota County (FL) and Cobb County (GA) Sheriff's Deputies performed the arrests and the case is being prosecuted by the Sarasota County State Attorney's Office. [Press Release: North Port Accountant Arrested in Advance Fee for Loan Scheme](#)

New Issues

No new issues to report this week.