

GOVERNOR RICK SCOTT

WEEKLY AGENCY REPORT

OFFICE OF FINANCIAL REGULATION

WEEK ENDING APRIL 20, 2017

Successes for Week Ending April 20, 2017

1. Licensing and Registration

- Division of Securities
 - Applications Received: 805
 - Applications Approved: 860
 - Applications Denied/Withdrawn: 17

- Division of Consumer Finance
 - Applications Received: 422
 - Applications Approved: 458
 - Applications Denied/Withdrawn: 32

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 - Applications Denied/Withdrawn: 1

2. Regulatory Actions

Final Order for \$12,150 Against a Check Casher/Deferred Presentment Provider for Prohibited Business Practices

On April 6, 2017, the Division of Consumer Finance entered a final order against Citiwide Financial Services, Inc., and James Kane for failure to maintain a complete customer file for companies that cash third party checks, failure to include the annual attestation of review of the customer file, failure to maintain a copy of the identification used to cash a payment instrument, failure to maintain records of thumbprints taken to cash a payment instrument, failure to endorse payment instruments cashed, failure to include all notices required by law on a deferred presentment agreement and for accepting a check dated on a date other than the date on which the deferred presentment agreement was signed.

Final Order for \$61,500 Against a Money Services Business for Unlicensed Activity

On April 6, 2017, the Division of Consumer Finance entered a final order against Mercari, Inc., for conducting business as a money services business without a license.

Final Order for \$22,000 Against a Money Transmitter for Prohibited Business Practices

On April 7, 2017, the Division of Consumer Finance entered a final order against First Global Money, Inc., for failure to notify the OFR of a change in bank accounts, a change in officers/responsible persons, of two regulatory actions taken against it and for failure to implement its Anti Money Laundering program.

Final Order for \$12,100 Against a Check Casher for Prohibited Business Practices

On April 7, 2017, the Division of Consumer Finance entered a final order against Mtanious Dandouch d/b/a Beaver Food Mart for failure to maintain records of customer's thumbprints, fail to endorse payment instruments with its legal name, and failure to maintain copies of acceptable identification used to cash a payment instrument.

Final Order for \$26,000 Against a Check Casher for Prohibited Business Practices

On April 7, 2016, the Division of Consumer Finance entered a final order against Access Check Cashing, LLC and Neil Ferrara for accepting and cashing a payment instrument from a person who was not the original payee, failure to maintain a complete customer file on where corporate payment instruments were cashed, failure to verify the Secretary of State registration on customers who cashed corporate payment instruments, failure to maintain an electronic log, failure to maintain copies of acceptable identification used to cash a payment instrument, failure to maintain records of thumbprints taken to cash a payment instrument and failure to maintain copies of payment instruments cashed.

Final Order for \$24,652 Against a Check Casher for Unlicensed Activity

On April 6, 2017, the Division of Consumer Finance entered a final order against La Hacienda Supermarket, LLC for conducting business as a money services business without a license.

Final Order for \$15,000 Fine Against an Investment Adviser Firm for Violations of Rules

On April 14, 2017, the Division of Securities entered a final order against BroadStreet Financial Advisers, LLC for violations of rules by failing to maintain an accurate Form ADV and timely submit annual financial statements. A 15,000 administrative fine was paid.

3. Enforcement Actions

St. Prix Sentenced to 10 Years in Prison for Investment Fraud

On April 7, 2017, in Miami-Dade County Circuit Court, defendant Anthony St. Prix was sentenced to 10 years in state prison to be followed by 10 years of probation. The sentence follows St. Prix's August 2016 guilty plea to charges of racketeering, conspiracy to commit racketeering, grand theft and money

laundering. The charges stem from St. Prix's role in a fraudulent investment offering involving land and supposed investment grade mortgage notes. On May 28, 2015, co-conspirator Charles Y Angrand pled guilty to one count of conspiracy to commit racketeering and was sentenced to 5 years of probation. Angrand subsequently fled to Haiti. On December 18, 2015, co-conspirator Guerdin Lecorps pled guilty to conspiracy to commit racketeering and was sentenced to 366 days in state prison to be followed by three years of probation. Lecorps will serve his sentence concurrent with a federal prison sentence in a separate case involving mortgage fraud. On August 16, 2016, Wanda Morales, St. Prix's wife, pled guilty to conspiracy to commit racketeering and was sentenced to five years of probation. St. Prix was initially arrested, with co-defendants, Morales, Lecorps, and Angrand in September 2013, following an OFR investigation which revealed that from July 2005 through September 2008, the defendants engaged in several schemes through which they defrauded more than 140 victims in the Southwest Florida and South Florida Haitian communities. During this period, St. Prix recruited investors to invest in a land development project in Punta Gorda and promised these investors a 100 percent return on their investments. St. Prix concocted a second scheme to defraud the same land development project investors by luring them into investing in a foreign exchange investment opportunity. St. Prix promised the investors monthly interest payments and a 100 percent refund of their principal when he completed the land development project. St. Prix falsely represented to investors that he owned the land and that he had experience trading in foreign exchange markets. In the third scheme, St. Prix and his co-conspirators advertised online and made sales presentations at churches in Naples and Fort Myers. The presentations centered on the land in Punta Gorda and land in Sebring for which investors entered into contracts with St. Prix believing they were purchasing one-acre tracts. St. Prix and his co-conspirators staged a presentation at a church in Naples where he provided would-be victims with fictitious warranty and quitclaim deeds to entice them to invest. Soon after receiving money from the victims, the victims were presented with a "certificate of ownership" as proof that they owned the land and were required to make monthly installment payments to companies controlled by the defendants. In the final scheme, St. Prix told investors he invested in diamonds, rice and other commodities and could provide letters of credit through a network of brokers around the world and his associates at HSBC bank, in order to facilitate further large purchases of commodities. A review of St. Prix's foreign currency exchange trading account showed that all funds placed into the account were lost. The land development project and foreign currency investments were essentially a front for a Ponzi scheme where established investors were paid with funds from more recent investors. The defendants' bank accounts showed that they received approximately \$4 million from buyers and investors, of which approximately \$1.7 million was used for the defendants' personal benefit. While awaiting trial on the 2013 arrest, St. Prix orchestrated a new scheme involving an investment in Venezuelan bonds through which he defrauded a Nevada investor out of \$170,000. The new investigation revealed that an investor was attempting to secure funding for a construction project in Las Vegas and was introduced to

St. Prix as an individual who could assist him. St. Prix introduced himself to the investor as Anthony “Joseph” and alleged that he and his company, Capital King Investment, Inc., a New York State registered corporation were registered securities brokers. St. Prix promised to help the investor raise the funds through “bonds and trading platforms.” St. Prix told the investor that his company was trading a \$500 million Venezuelan bond and for a \$20,000 investment, the investor would receive a guaranteed \$1 million within 10 to 15 days. St. Prix instructed the investor to wire the \$20,000 to Real Estate Wealth Advisors, LLC, a Florida limited liability company located in Boca Raton, controlled by Patrick A. Dean. The investor wired his investment money to Real Estate Wealth Advisors, LLC’s account and upon receiving the funds, Dean transferred \$8,500 to an account controlled by Morales. Both Dean and St. Prix used the investor’s funds for personal expenses. St. Prix was subsequently charged with securities fraud, organized scheme to defraud and grand theft and was arrested in June 2016. The OFR Bureau of Financial Investigations was the sole investigative agency involved in this matter and was assisted in securing the defendants’ arrests by the Florida Department of Financial Services, Division of Investigative and Forensic Services, the Pembroke Pines Police Department and the New York Police Department Fugitive Unit.

New Issues

No new issues to report this week.