

GOVERNOR RICK SCOTT

WEEKLY AGENCY REPORT

OFFICE OF FINANCIAL REGULATION

WEEK ENDING July 14, 2016

Successes for Week Ending July 14, 2016

1. Licensing and Registration

- Division of Securities
 - Applications Received: 1,163
 - Applications Approved: 1,073
 - Applications Denied/Withdrawn: 25

- Division of Consumer Finance
 - Applications Received: 184
 - Applications Approved: 182
 - Applications Denied/Withdrawn: 43

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 - Applications Denied/Withdrawn: 0

2. Regulatory Sanctions

Final Order for \$13,500 Fine Against an Investment Adviser Firm for Prohibited Business Practices

On July 5, 2016, the Division of Securities entered a final order against Zidel Financial, Inc., for engaging in prohibited business practices by failing to maintain an accurate Form ADV and send clients itemized invoices. A \$13,500 administrative fine was paid.

Suspension of Investment Adviser and Associated Person Registration

On July 5, 2016, the Division of Securities entered a final order against Morgan Financial Advisors, Inc., and David John Ellrich suspending their investment adviser registration after the firm failed to request a hearing. The final order follows an administrative complaint, which alleged Morgan Financial Advisors, Inc., and David John Ellrich failed to pay \$4,500 of the \$9,000 administrative fine, as required in a final order issued by the Division of Securities on December 23, 2015.

Permanent Bar and \$150,000 Fine Against Unregistered Firm and Associated Person for Fraud

On July 5, 2016, the Division of Securities entered a final order against Greenstar Financials, Inc., and Albert Hayat, permanently barring them from affiliating or seeking future registration as a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, Florida Statutes. The firm and Hayat were found to have facilitated in the sales of unregistered securities, engaged in securities business in Florida without being registered and obtained money by means of fraud. A \$150,000 administrative fine was assessed.

Denial of Associated Person

On July 5, 2015, the Division of Securities entered a final order against Bill Michael Friedrich denying his applications for registration as an associated person for making a material misrepresentation or misstatement on his applications for registration.

3. Enforcement Results

Former Mortgage Broker Arrested for Alleged Fraud

On June 30, 2016, Randal Thomas Rosado was arrested at his home in Goshen, New York, on charges that he forged deeds to several properties in Florida in order to appropriate them for his personal gain. At the time of his arrest, investigators with the Lee County State Attorney's Office and detectives with the St. Lucie and Indian River Counties Sheriffs' Offices executed a search warrant on Rosado's storage unit in Vero Beach, Florida. In addition to the allegations that he forged real estate deeds, Rosado was also charged criminally on allegations that he crafted fraudulent arrest warrants for persons including a Lee County Circuit Judge (Hon. John Duryea), the Clerk of Court for Lee County (Linda Doggett) and several others. Rosado was also charged for mailing fictitious documents from the "International Court of Commerce" targeting the same individuals. Rosado's arrest included an order to extradite him from anywhere in the United States with a bond set at \$1.5 million. This investigation was based on a request of investigative assistance from the Lee County State Attorney's Office. The request of assistance was based on evidence that Rosado, a former mortgage broker licensee, was collecting rent for more than six years on properties in Lee County, Collier County and Palm Beach County belonging to other individuals who were going through foreclosure. Rosado allegedly forged property owners' signatures on quit claim deeds and filed them with the associated counties. Investigative assistance was provided to the Lee County State Attorney's Office and the FBI. The OFR's role in the case was to review evidence, identify associated individuals and identify and analyze bank records. The City of Goshen Police Department in New York made the arrest. Assistant State Attorney Michael Brown is prosecuting the case.

New Issues

No new issues to report this week.