

GOVERNOR RICK SCOTT

WEEKLY AGENCY REPORT

OFFICE OF FINANCIAL REGULATION

WEEK ENDING JULY 24, 2014

Successes for Week Ending July 24, 2014

1. Licensing and Registration

- Division of Securities
 - Applications Received: 1,051
 - Applications Approved: 989
 - Applications Denied/Withdrawn: 15

- Division of Consumer Finance
 - Applications Received: 486
 - Applications Approved: 479
 - Applications Denied/Withdrawn: 22

- Division of Financial Institutions
 - Applications Received: 4
 - Applications Approved: 2
 - Applications Denied/Withdrawn: 0

2. Regulatory Actions

Final Order Issued for Unlicensed Activity

On July 15, 2014, the Division of Consumer Finance entered a Final Order against DSI-ITI, LLC, for unlicensed activity. DSI-ITI, LLC, operated as a Funds Transmitter without a license from June 2010 until September 2012. A \$104,375 administrative fine was paid and licensure was granted.

Final Order for Fines Totaling \$6,000 Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On July 21, 2014, the Division of Securities entered a Final Order against Candor Asset Management, LLC, and Carlos E. Alamo for engaging in prohibited business practices by failing to maintain an accurate Form ADV and prepare and maintain accurate and current financial statements and for entering into client advisory agreements that did not accurately disclose advisory rates. Fines totaling \$6,000 were paid.

3. Enforcement Actions

Miami Radio Personality Charged in Ponzi Scheme

On July 17, 2014, Phillippe Bourciquot was arrested and charged with racketeering, securities fraud, grand theft and money laundering in connection with an alleged active Ponzi scheme targeting the Haitian-American community in South Florida. From November 2012 through the present, Bourciquot is alleged to have used a daily radio broadcast to solicit more than \$3 million from approximately 600 investors residing in Miami-Dade, Broward and Palm Beach counties. Bourciquot is alleged to have encouraged listeners to “lend” him money to make investments in the currency markets in exchange for a fixed return of 8% per month. Bourciquot claimed he could achieve those returns based on his expertise in the foreign exchange market (“forex”) where he insisted that he routinely traded currencies from “18 different countries.” Listeners were told that their investments could not lose money and that they would be issued promissory notes in exchange for placing their funds with Bourciquot. However, contrary to his representations, the investigation alleges that much of the investors’ money was used to pay Bourciquot’s personal expenses and to make Ponzi payments to previous investors. Concurrent with his arrest, a search warrant was executed on Bourciquot’s home and office and his bank accounts were frozen. This case was developed jointly with FDLE and is being prosecuted by the Office of Statewide Prosecution. The charges filed against the defendant are only an accusation and the defendant is presumed innocent until proven guilty.

[Press Release: Miami Radio Personality Arrested in Ponzi Scheme](#)

Mortgage Lender Pleads Guilty in Multi-Million Dollar Mortgage Fraud Scheme

On July 16, 2014, Karl Oreste pled guilty to one count of conspiracy to commit wire fraud affecting a financial institution, in violation of Title 18, United States Code, Section 1349. According to documents filed with the court and statements made in court during the plea, Oreste, president of KMC Mortgage Corporation of Florida (KMC), along with co-defendants, Okechukwu Josiah Odunna, Marie Lucie Tondreau and Kelly Augustin, operated a multi-million dollar mortgage fraud scheme in Miami-Dade and Broward Counties between December 2005 and May 2008. Oreste and Tondreau hosted several radio show programs, which catered to the South Florida Haitian community. During these programs, they advertised the services offered by KMC. Oreste and Tondreau recruited and paid some of the listeners who responded to those advertisements, as well as other individuals, to pose as borrowers to purchase properties identified by Oreste. Augustin, an employee of KMC, also recruited straw borrowers. According to statements made in court, Oreste, Odunna and other co-conspirators prepared or caused to be prepared loan applications on behalf of straw borrowers. These loan applications included false information relating to employment, wages, assets and intent to make the property being purchased a primary residence. The loan applications and documents were submitted by co-conspirators to various mortgage lenders throughout the United States. At closing, a portion of loan proceeds were disbursed to Oreste through his companies. Oreste disbursed some of the proceeds that he received to pay recruiters, such as

Tondreau and Augustin, and straw borrowers. Oreste also transferred a substantial portion of the funds to the bank account of a company controlled by Tondreau who used the funds to make payments on the falsely and fraudulently obtained mortgages in order to maintain the loans, and to conceal and further the fraud. She also used a portion of the funds for her own personal use and benefit. Over the course of the conspiracy, the defendant fraudulently obtained loans on over 20 properties, for which the lenders have suffered losses in the amount exceeding \$11,000,000.

[Press Release: Mortgage Lender Pleads Guilty In Multi-Million Dollar Mortgage Fraud Scheme](#)

New Issues

1. Communications and Outreach Activities

On July 22, 2014, the OFR issued a consumer alert on disaster-related financial scams.

[Consumer Alert: Disaster-Related Financial Scams](#)