

GOVERNOR RICK SCOTT

WEEKLY AGENCY REPORT

OFFICE OF FINANCIAL REGULATION

WEEK ENDING August 18, 2016

Successes for Week Ending August 18, 2016

1. Licensing and Registration

- Division of Securities
 - Applications Received: 1,245
 - Applications Approved: 1,137
 - Applications Denied/Withdrawn: 8

- Division of Consumer Finance
 - Applications Received: 152
 - Applications Approved: 176
 - Applications Denied/Withdrawn: 7

- Division of Financial Institutions
 - Applications Received: 1
 - Applications Approved: 1
 - Applications Denied/Withdrawn: 0

2. Regulatory Sanctions

Final Order for \$47,500 in Total Fines Against a Broker Dealer Firm and Associated Person for Violations of Rules

On August 9, 2016, the Division of Securities entered a final order against Ameriprise Financial Services, Inc., and Nicholas Blair Vizzi for violations of rules. Ameriprise Financial Services, Inc., failed to maintain and enforce the firm's written supervisory procedures pertaining to registered representatives' advertising practice. Nicholas Blair Vizzi failed to properly review and approve forms prior to the registered representatives signing the forms. A total of \$47,500 in administrative fines was paid.

Final Order for \$5,000 Fine Against an Investment Adviser Firm for Violations of Rules

On August 12, 2016, the Division of Securities entered a final order against Strategic Wealth Management, Inc., for violations of rules by failing to prepare and maintain written investment advisory client information that is the basis for providing investment advice. A \$5,000 administrative fine was paid.

Final Order for \$15,000 Fine Against an Associated Person for Violation of Rules

On August 12, 2016, the Division of Securities entered a final order against Ralph Todd Schlosser for violations of rules by failing to maintain his Form U-4 and disclose financial liens filed against him. A \$15,000 fine was assessed. Mr. Schlosser agrees not submit an application for registration prior to January 1, 2017, or prior to payment of the \$15,000 administrative fine, whichever occurs later.

Final Order for \$52,500 in Total Fines Against a Broker Dealer Firm and Two Associated Persons for Violation of Rules

On August 12, 2016, the Division of Securities entered a final order against GWN Securities, Inc., Christine Chew and Daniel L. Rey (f/k/a Daniel R. Lopez) for violation of rules. GWN Securities, Inc., failed to provide Ms. Chew a copy of her originally signed registered representative agreement, provide principal approval of Mr. Rey's adverting materials and timely provide and require the Securities Investor Protection Corporation (SIPC) signage for a branch office. Christine Chew used unapproved business cards, which contained a false "CPA" professional designation. Daniel L. Rey failed to disclose to GWN Securities, Inc., his outside business activity, maintain his Form U-4 and use approved advertising and communication materials. Additionally, Mr. Rey used an unrecognized "Wealth Manager" designation on his website and business cards. A total of \$52,500 in administrative fines was paid.

3. Enforcement Results

Man Arrested in Charlotte County for Investment Fraud

On August 10, 2016, Capital Strategy Investments Inc., (CSI) Founder and President Phillip Jon-Luke St. John was arrested on an active warrant related to charges of securities fraud, organized scheme to defraud and grand theft. The investigation leading up to St. John's arrest was based on a complaint filed by a resident of Massachusetts with the State Attorney's Office in Charlotte County and the OFR. The complainant claimed that he wired \$20,000 to St. John, based on promises that St. John would invest his money on an exclusive "trading platform" where his investment would triple within 34 business days. St. John was interviewed in jail by OFR investigators and admitted that he was operating under an assumed name. He admitted that his real name is Peter John Barberio and that his criminal record includes convictions for robbery, terroristic acts and tampering with witnesses, convictions for which he served prison sentences in New Jersey. St John also admitted to the allegations made in the OFR investigation that he took investor money and used it for personal expenses. The investigation found that in addition to the complainant, one other investor sent money to St. John for the same trading platform investment. The two investors relied on St John's representations that their money would be used to help generate the large returns that were promised. However, analysis of bank records revealed that the investors' money was not used towards an investment, but were instead appropriated by St. John for his personal use. The OFR was the sole investigative agency in this criminal enforcement action. The Charlotte County Sheriff's Office and Punta Gorda Police Department are credited with St.

John's arrest. The case is being prosecuted by the State Attorney's Office for the 20th Judicial Circuit of Florida in Charlotte County. St. John is in custody at the Charlotte County Jail. His bond is set at \$110,000.

New Issues

No new issues to report this week.