

# GOVERNOR RICK SCOTT

## WEEKLY AGENCY REPORT

### OFFICE OF FINANCIAL REGULATION

WEEK ENDING August 20, 2015

#### Successes for Week Ending August 20, 2015

#### 1. Licensing and Registration

- Division of Securities
  - Applications Received: 1,322
  - Applications Approved: 1,230
  - Applications Denied/Withdrawn: 9
  
- Division of Consumer Finance
  - Applications Received: 345
  - Applications Approved: 363
  - Applications Denied/Withdrawn: 15
  
- Division of Financial Institutions
  - Applications Received: 0
  - Applications Approved: 0
  - Applications Denied/Withdrawn: 0

#### 2. Enforcement Actions

##### Recidivist Mortgage Fraud Conspirator Sentenced to Prison

On July 31, 2015, Shastine Pavao was sentenced by the Circuit Court of Orange County to serve three years in prison to be followed by two years of community control and five years of probation. The sentence follows Pavao's May 2015 guilty plea to charges of having violated the terms of an existing probation order which precluded her from employment in the real estate industry. An OFR investigation determined that, along with continuing to be involved in the real estate industry, Pavao also violated the terms of her probation when she was found to have been involved in a separate scheme to defraud for which she was arrested by the Clermont Police Department in January of this year. On September 30, 2010, Pavao pled guilty to charges of racketeering and conspiracy to commit racketeering in connection with her role in a mortgage fraud scheme. Pavao was arrested in December 2008, following an OFR investigation which found that she victimized financially distressed homeowners by offering them personal loans and promising help with staving off foreclosure. The victims, including several elderly and disabled persons, claimed that Pavao and her father, John Pavao, swindled them into signing over their homes under the false pretense of completing loan applications. The investigation revealed that the Pavaos would then obtain mortgage loans against the properties based

on material misrepresentations to lenders with the proceeds going towards their personal expenses. Shastine Pavao was sentenced to six years in prison to be followed by 12 years of probation. Her prison sentence was suspended contingent upon her successful completion of the 12 year probation period. Pavao's conditions of probation included a ban on work in any area involving real estate or mortgages. A date for a restitution hearing is still pending.

#### Enforcement Action Taken Against Unlicensed Check Casher

On August 7, 2015, a final order was entered against respondents Babul Hai, Sagor Akhikary and Masa Inc., of USA, for acting as an unlicensed money services business. Together the respondents were fined a total of \$20,000 and barred for 15 years from applying for any Chapter 560 license. The OFR investigation was predicated on information received from a confidential informant alleging that Masa Inc., of USA, a convenience store located in Orlando, was operating as an unlicensed check casher. The investigation revealed that from February 28, 2012, to January 17, 2013, Masa cashed at least 270 third-party checks totaling approximately \$300,000. Many of these were U.S. Treasury checks believed to have been fraudulently obtained. The investigation further identified at least 45 checks cashed by Masa that exceeded the \$2,000 threshold for potential exemption from licensure. Licensing records revealed that Masa is not and has never been licensed with the OFR as a check casher.

#### **New Issues**

No new issues to report this week.