

STATE OF FLORIDA
OFFICE OF FINANCIAL REGULATION



IN RE:

RAMON QUIROZ,

Admin. Proceeding No. 0802-FI-11/10

Respondent.

_____ /

FINAL ORDER OF REMOVAL AND PROHIBITION

This matter having come before the Office of Financial Regulation (hereinafter “Office”) upon its review and consideration of reports by state credit union examiners, law enforcement officers, employees and agents of Power Financial Credit Union (“Credit Union”) and other satisfactory evidence made available to the Office regarding the unsafe and unsound practices, prohibited acts and practices, and willful violation of the laws relating to financial institutions undertaken by Ramon Quiroz (“Quiroz”), and the Office being otherwise fully advised in this matter, finds and declares the following:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. On December 10, 2010, the Office issued an Administrative Complaint for an Order of Removal and Prohibition with Notice of Rights against Quiroz (“Complaint”). A copy of the Complaint, which is hereby incorporated by reference as if set forth in its entirety, is attached as Exhibit 1.
2. Service of the Complaint on Quiroz at 16921 SW 34th Street, Miramar, Florida 33027, the address provided by the Credit Union, was attempted by Certified U.S. Mail, Delivery to Addressee Only, Return Receipt, per Section 655.031(12), Florida Statutes.

3. On December 13, 2010, the Complaint addressed to Quiroz was rerouted by the United States Postal Service to a forwarding address.
4. On December 27, 2010, the Complaint was delivered to Quiroz at 9113 SW 52nd Street, Cooper City, Florida 33328-5016.
5. The Office has not received any communication from Quiroz since the delivery of the Complaint.
6. As Quiroz has failed to file a petition for hearing within twenty-one (21) days of receipt of the Complaint, Quiroz has waived his right to a hearing pursuant to Rule 28-106.111(4) Florida Administrative Code.
7. The Conclusions of Law as contained in the Complaint, finding that Quiroz engaged in unsafe and unsound practices, prohibited acts and practices and willful violations of the law relating to financial institutions, are hereby incorporated by reference as if fully set forth, and being uncontested by Quiroz, are accepted as true and correct and are adopted by the Office as conclusions of law for this Final Order.

FINAL ORDER

Based on the foregoing Findings of Fact and Conclusions of Law, it is HEREBY ORDERED that:

- a. Quiroz is IMMEDIATELY suspended from any and all positions he holds at any state financial institution, subsidiary, or service corporation.
- b. Quiroz is IMMEDIATELY suspended from serving in the capacity of a financial institution-affiliated party, as the term is defined in Section

655.005(1)(i), Florida Statutes, of any state financial institution, subsidiary, or service corporation he may be a financial institution-affiliated party of.

- c. Quiroz is IMMEDIATELY prohibited from serving in the capacity of a financial institution-affiliated party, as the term is defined in Section 655.005(1)(i), Florida Statutes, of any state financial institution, subsidiary, or service corporation.
- d. Quiroz is IMMEDIATELY prohibited from participation in any manner in the affairs of any state financial institution, subsidiary, service corporation, or affiliate. This prohibition includes, but is not limited to, matters of corporate governance, and the following prohibitions regarding stock ownership, transfer and voting:
 - (1) Quiroz shall not vote any stock he owns or controls in any state financial institution, any subsidiary, service corporation or any affiliate, without prior written permission of the Office.
 - (2) Quiroz shall not solicit, procure, vote or attempt to vote any proxy, consent, or authorization with respect to any voting rights in any state financial institution, or any subsidiary, service corporation or affiliate.
 - (3) Quiroz shall not solicit or procure any additional stock in any other state financial institution, or any subsidiary, service corporation or affiliate.
 - (4) Quiroz shall not transfer or attempt to transfer: a) any stock he owns or controls in any state financial institution, service corporation or affiliate, without the prior written consent of the Office; or b) any

proxy, consent or authorization with respect to any voting rights in any state financial institution, or any subsidiary, service corporation or affiliate, without prior written permission of the Office.

- e. Quiroz is IMMEDIATELY suspended from serving as a consultant or independent contractor for any state financial institution, or any subsidiary, service corporation or affiliate.
- f. Quiroz is IMMEDIATELY prohibited from serving as a consultant or independent contractor, or any similar position, for any state financial institution, or any subsidiary, service corporation or affiliate, unless, prior to accepting appointment with, and prior to providing any services to, any state financial institution, subsidiary, service corporation as a consultant or independent contractor, or other similar position:

- (1) Quiroz provides a copy of this Order to the chief executive officer of the state financial institution, subsidiary, service corporation or affiliate, with which Quiroz seeks to serve as a consultant or independent contractor, or other similar position; and

- (2) Quiroz, and the chief executive officer and the chairman of the board of directors of the state financial institution, or subsidiary, service corporation, or affiliate, with which Quiroz seeks to serve as a consultant or independent contractor, or other similar position, provides written notification to the Office describing in detail the duties and responsibilities of the services Quiroz desire to provide the

state financial institution, or subsidiary, service corporation or affiliate;
and

(3) The Office, in its sole discretion, authorizes Quiroz to accept
appointment with the state financial institution, or subsidiary, service
corporation or affiliate, as a consultant or independent contractor, or
other similar position.

g. This Order will remain in effect unless otherwise rescinded or modified by
order from the Office upon consideration of a petition filed by Quiroz
pursuant to Section 655.037(7), Florida Statutes.

DONE AND ORDERED in Tallahassee, Florida, this 27th of January, 2011.


J. Thomas Cardwell, Commissioner
Office of Financial Regulation

NOTICE OF RIGHTS

A PARTY WHO IS ADVERSELY AFFECTED BY THIS FINAL ORDER IS
ENTITLED TO JUDICIAL REVIEW PURSUANT TO SECTION 120.68, FLORIDA
STATUTES. REVIEW PROCEEDINGS ARE GOVERNED BY THE FLORIDA
RULES OF APPELLATE PROCEDURE. SUCH PROCEEDINGS ARE

COMMENCED BY FILING THE ORIGINAL NOTICE OF APPEAL WITH THE AGENCY CLERK FOR THE OFFICE OF FINANCIAL REGULATION AS FOLLOWS:

By Mail or Facsimile

OR

By Hand Delivery

Agency Clerk
Office of Financial Regulation
P.O. Box 8050
Tallahassee, Florida 32314-8050
Phone: (850) 410-9880
Fax: (850) 410-9548

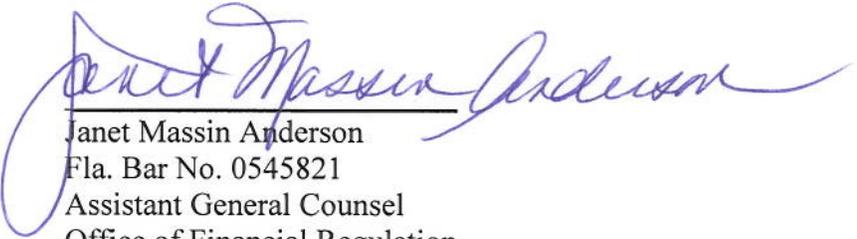
Agency Clerk
Office of Financial Regulation
General Counsel's Office
The Fletcher Building, Suite 118
101 East Gaines Street
Tallahassee, Florida 32399-0379
Phone: (850) 410-9896

A COPY OF THE NOTICE OF APPEAL, ACCOMPANIED BY THE FILING FEES AS REQUIRED BY LAW, MUST ALSO BE FILED WITH THE DISTRICT COURT OF APPEAL, FIRST DISTRICT, 2000 DRAYTON DRIVE, TALLAHASSEE, FLORIDA 32399-0950, OR WITH THE DISTRICT COURT OF APPEAL IN THE APPELLATE DISTRICT WHERE THE PARTY RESIDES. **THE NOTICE OF APPEAL MUST BE FILED WITH BOTH THE AGENCY CLERK FOR THE OFFICE OF FINANCIAL REGULATION AND THE DISTRICT COURT OF APPEAL WITHIN 30 DAYS OF THE RENDITION OF THE ORDER TO BE REVIEWED.**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Final Order of Removal and Prohibition with Notice of Rights has been furnished via Certified U.S. Mail, Delivery to Addressee Only, return receipt, to Ramon Quiroz, 9113 SW 52nd Street, Cooper City, Florida 33328 and Allen Prindle, President, Power Financial Credit Union,

2020 NW 150th Avenue, Pembroke Pines, Florida, 33028 this 27 day of January,
2011



Janet Massin Anderson
Fla. Bar No. 0545821
Assistant General Counsel
Office of Financial Regulation
The Fletcher Building, Suite 624
200 East Gaines Street
Tallahassee, Florida 32399-0379
(850) 410-9880

**STATE OF FLORIDA
OFFICE OF FINANCIAL REGULATION**

IN RE:

RAMON QUIROZ,

Admin. Proceeding No. 0802-FI-11/10

Respondent.

ADMINISTRATIVE COMPLAINT FOR ORDER OF REMOVAL AND
PROHIBITION WITH NOTICE OF RIGHTS

The State of Florida, Office of Financial Regulation (hereinafter "Office"), gives notice that it, having reason to believe that Ramon Quiroz (hereinafter "Quiroz"), a former employee of Power Financial Credit Union ("Power Financial" or "Credit Union"), has engaged in unsafe and unsound practices, prohibited acts or practices, and willful violations of laws relating to financial institutions, and acts that were a breach of trust or fiduciary duty, and from which the Credit Union suffered loss and other damage, files this Administrative Complaint for Order of Removal and Prohibition with Notice of Rights ("Administrative Complaint"), seeking to remove Quiroz from any positions he holds at any state financial institution, and to bar Quiroz from service as a financial institution affiliated party, an officer, director, committee member, employee, or other person participating in the affairs of, any state financial institution in this state, pursuant to Sections 655.012 and 655.037, Florida Statutes. In support thereof, the Office states the following:



STATEMENT OF FACTS AND CONCLUSIONS OF LAW

1. FPL Federal Credit Union (“FPL”), a federally chartered institution, converted to a Florida state charter in August 2000. Upon conversion, FPL changed its name to Power One Credit Union. In October 2006, Power One Credit Union changed its name to Power Financial Credit Union (“Power Financial” or “Credit Union”).
2. Since its conversion, Power Financial has been a state-chartered credit union, charter number 666, with its principal place of business at 2020 NW 150th Avenue, Pembroke Pines, Florida, and therefore is a state financial institution, as the term is defined in Section 655.005(1)(p), Florida Statutes.
3. Ramon Quiroz was hired as a temporary scanning clerk by FPL on November 15, 1999. He was continuously employed by FPL through its conversion and subsequent name changes until his employment was terminated on October 7, 2010. At all times material hereto, therefore, Quiroz was a financial institution affiliated party as that term is defined in Section 655.005(1)(i), Florida Statutes.
4. Pursuant to the Financial Institutions Codes, including Chapters 655 and 657, Florida Statutes, which encompass state-chartered financial institutions including credit unions, and the rules and regulations promulgated thereunder through Chapter 69U, Florida Administrative Code, Power Financial and its employees are subject to the jurisdiction of the Office of Financial Regulation.
5. At all times material hereto, Quiroz was a member of the Credit Union’s Information Technology Department (“IT” or “Department”), first as an Operations Specialist and, finally, as a Systems Analyst.

6. IT is responsible for archiving the computer records of customer transactions.
This is accomplished by creating back-up files on magnetic tapes that are stored both on and off-site. IT is responsible for procuring and maintaining the electronic media supplies required for system back-ups.
7. As a member of the IT Department, Quiroz ordered electronic media supplies from vendors, prepared the necessary documentation for management to authorize payment to the vendors, and accepted shipments on behalf of the Department.
8. TapeandMedia.com, LLC ("TapeandMedia") and CDW Direct, LLC ("CDW") are vendors from which Power Financial purchased electronic media supplies.
9. Between June 5, 2008, and September 16, 2010, Quiroz advised TapeandMedia and CDW that he would be their sole point of contact with Power Financial and instructed the Power Financial mailroom personnel that he would take possession of the shipments from these vendors when they were received.
10. As shipments were received, mailroom personnel logged them in and released them to Quiroz. Quiroz removed most of the shipments from Power Financial's premises.
11. Between June 5, 2008 and September 16, 2010, Power Financial paid TapeandMedia \$118,531.37 for supplies Quiroz ordered, received and removed from the Credit Union. Quiroz used photocopies of Power Financial managers' signatures to falsify authorization for payment of the TapeandMedia invoices and diverted the supplies for resale for his personal gain.

12. Between July 13, 2010, and September 14, 2010, TapeandMedia billed Power Financial \$67,706.90 for additional supplies that Quiroz ordered, received and removed from Power Financial.
13. On September 22, 2010 Power Financial paid CDW \$4,931.08 for supplies Quiroz ordered, received, and removed from the Credit Union. Quiroz used photocopies of Power Financial managers' signatures to falsify authorization for payment of the CDW invoices and diverted the supplies for his personal gain.
14. Between September 7, 2010, and September 14, 2010, CDW billed Power Financial \$37,420.84 for additional supplies Quiroz ordered, received, and removed from Power Financial.
15. On September 23, 2010, after noticing that some previously paid invoices from TapeandMedia had only photocopies of approvals for payment instead of original signatures as required by Power Financial's Accounts Payable Policy, Power Financial embarked on a systematic review of all the TapeandMedia invoices.
16. The review's findings confirmed that the volume of orders of electronic media supplies far exceeded the Credit Union's needs.
17. Further investigation determined that Quiroz had placed the excess orders, signed for the merchandise after it was delivered to the mailroom, and prepared the invoices for payment, including attaching the fraudulent approvals.
18. The Credit Union then reviewed the CDW invoices. The review revealed the same pattern of oversized orders, receipt, and diversion of the merchandise by Quiroz and presentation of fraudulently approved invoices for payment.

19. Using a Credit Union account with Federal Express, Quiroz shipped boxes of tapes purchased from CDW to TapeandMedia for credit against the amount the Credit Union owed TapeandMedia.
20. Upon completing its investigation of Quiroz's unauthorized activities, the Credit Union terminated his employment on October 7, 2010.
21. Section 655.037(1), Florida Statutes, authorizes the Office to issue a complaint when the Office has reason to believe a financial institution-affiliated party is engaged in conduct or has engaged in conduct that is:
 - (a) An unsafe and unsound practice;
 - (b) A prohibited act or practice;
 - (c) A willful violation of any law relating to financial institutions; or
 - . . .
 - (i) An act of commission or omission or a practice which is a breach of trust or a breach of fiduciary duty.
22. Section 655.005(1)(r), Florida Statutes, defines an "unsafe or unsound practice" as:

[A]ny practice or conduct found by the office to be contrary to generally accepted standards applicable to the specific financial institution, or a violation of any prior order of a state or federal regulatory agency, which practice, conduct, or violation creates the likelihood of loss, insolvency, or dissipation of assets or otherwise prejudices the interest of the specific financial institution or its depositors or members.
23. Section 655.0322(3)(b), Florida Statutes, makes it unlawful for any financial institution-affiliated party to:

Embezzle, abstract, or misapply any money, property, or thing of value to the financial institution, subsidiary, or service corporation with the intent to deceive or defraud such financial institution, subsidiary, or service corporation;

24. Section 655.0322(6), Florida Statutes, establishes that it is unlawful for

Any person who knowingly executes, or attempts to execute, a scheme or artifice to defraud a financial institution, subsidiary, or service corporation or any other entity authorized by law to extend credit, or to obtain any of the moneys, funds, credits, assets, securities, or other property owned by, or under the custody or control of, a financial institution, subsidiary, service corporation, or any other entity authorized by law to extend credit, by means of false or fraudulent pretenses, representations, or promises . . .

25. Notwithstanding the fact that Quiroz's employment was terminated, the Office has the jurisdiction and authority for this proceeding pursuant to Section 655.037(8), Florida Statutes, which states:

The resignation, termination of employment or participation, or separation from a state financial institution, subsidiary, or service corporation of the financial institution-affiliated party does not affect the jurisdiction and authority of the office to issue any notice and proceed under this section against such financial institution-affiliated party, if such notice is served before the end of the 6-year period beginning on the date such person ceases to be such a financial institution-affiliated party with respect to such state financial institution, subsidiary, or service corporation.

26. Quiroz engaged in unsafe and unsound practices when he violated Credit Union internal policies and procedures by presenting invoices for payment with reproductions of approval signatures instead of referring them to an authorized officer for approval as required by the Credit Union's Accounts Payable Policy.

27. By ordering supplies from TapeandMedia in quantities vastly exceeding the Credit Union's needs, accepting the supplies, removing the supplies from the Credit Union's premises, and then presenting fraudulently approved invoices for payment by the Credit Union, Quiroz misapplied property with the intent to defraud the Credit Union, an act prohibited by Section 655.0322(3)(b), Florida Statutes.

28. By ordering supplies from CDW in quantities vastly exceeding the Credit Union's needs, accepting the supplies, removing the supplies from the Credit Union's premises, and then presenting fraudulently approved invoices for payment by the Credit Union, Quiroz misapplied property with the intent to defraud the Credit Union, an act prohibited by Section 655.0322(3)(b), Florida Statutes.
29. By repeatedly placing orders with TapeandMedia for supplies in quantities vastly exceeding the Credit Union's needs, presenting fraudulently approved invoices for payment to TapeandMedia for those supplies, accepting receipt of those supplies, and removing the supplies from the Credit Union's premises for resale for his personal gain, Quiroz engaged in a scheme to defraud the Credit Union of approximately \$186,000 in violation of Section 655.0322(6), Florida Statutes.
30. By repeatedly placing orders with CDW for supplies in quantities vastly exceeding the Credit Union's needs, presenting fraudulently approved invoices for payment to CDW for those supplies, accepting receipt of those supplies, and removing the supplies from the Credit Union's premises for resale for his personal gain, Quiroz engaged in a scheme to defraud the Credit Union of approximately \$42,000 in violation of Section 655.0322(6), Florida Statutes.
31. By engaging in an organized scheme to defraud the Credit Union causing a significant financial loss, committing prohibited acts, and violating statutes governing the actions of state financial institution-affiliated parties as set forth in paragraphs 9 through 30, Quiroz violated his fiduciary duty to the Credit Union to exercise honesty, loyalty, and care.

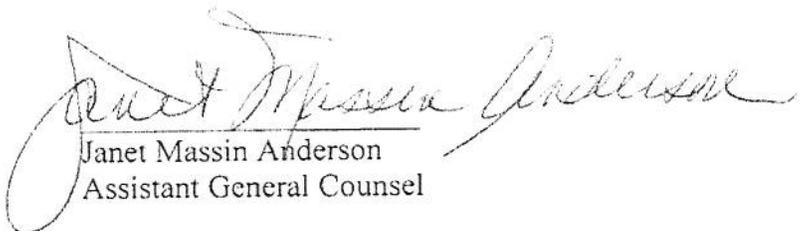
32. The Office therefore seeks the entry of an Order for Removal and Prohibition against Quiroz pursuant to Section 655.037, Florida Statutes.

AGENCY ACTION

Based on the foregoing Statement of Facts and Conclusions of Law, the Office intends to issue a final order to:

1. Remove Quiroz from any position he holds at any state financial institution;
2. Prohibit Quiroz from participating in the affairs of any state financial institution without prior, express written consent of the Office per Section 655.037(7), Florida Statutes; and
3. Prohibit Quiroz from serving as an officer, director, committee member, or employee of, or participating in the conduct of the affairs of, any financial institution in this state without the prior, express written consent of the Office in accordance with Section 655.037(7), Florida Statutes.

Issued this 10 day of December 2010 in Tallahassee, Leon County, Florida.


Janet Massin Anderson
Assistant General Counsel

NOTICE OF RIGHTS

You may request a hearing to be conducted in accordance with the provisions of Sections 120.569 and 120.57, Florida Statutes. A request for such a hearing must comply with the provisions of Rule 28-106.104(2), Florida Administrative Code, and Rule 28-106.2015, Florida Administrative Code, and must be filed with the Agency Clerk as follows:

By Mail or Facsimile
Agency Clerk
Office of Financial Regulation
P.O. Box 8050
Tallahassee, Florida 32314-8050
Phone: (850) 410-9800
Fax: (850) 410-9548

OR

By Hand Delivery
Agency Clerk
Office of Financial Regulation
General Counsel's Office
The Fletcher Building, Suite 118
101 East Gaines Street
Tallahassee, Florida 32399-0379
Phone: (850) 410-9896

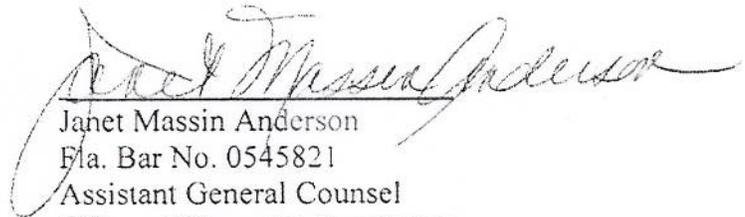
Your request must be filed within 21 days of the date of receipt of this Notice.

YOUR FAILURE TO RESPOND TO THIS NOTICE WITHIN 21 DAYS OF RECEIPT WILL CONSTITUTE A WAIVER OF YOUR RIGHT TO REQUEST A HEARING AND A FINAL ORDER MAY BE ENTERED WITHOUT FURTHER NOTICE.

In the event that a hearing is requested, all parties will have the right to be represented by counsel or other qualified representative; to offer written and oral testimony; to call and cross-examine witnesses; and to have subpoenas and subpoenas duces tecum issued on their behalf. Pursuant to Section 120.573, Florida Statutes, you are advised that mediation of this matter is not available.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing
Administrative Complaint for Order of Removal and Prohibition with Notice of Rights
has been furnished via Certified U.S. Mail, Delivery to Addressee Only, return receipt, to
Ramon Quiroz, 16921 SW 34th Street, Miramar, Florida 33027 and Allen Prindle,
President, Power Financial Credit Union, 2020 NW 15th Avenue, Pembroke Pines,
Florida, 33028 this 10 day of December, 2010.



Janet Massin Anderson
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