

GOVERNOR RICK SCOTT

WEEKLY AGENCY REPORT

OFFICE OF FINANCIAL REGULATION

WEEK ENDING SEPTEMBER 8, 2016

Successes for Week Ending September 8, 2016

1. Licensing and Registration

- Division of Securities
 - Applications Received: 1,357
 - Applications Approved: 1,286
 - Applications Denied/Withdrawn: 7

- Division of Consumer Finance
 - Applications Received: 362
 - Applications Approved: 391
 - Applications Denied/Withdrawn: 10

- Division of Financial Institutions
 - Applications Received: 3
 - Applications Approved: 0
 - Applications Denied/Withdrawn: 0

2. Regulatory Sanctions

Final Order for \$10,000 Fine Against an Associated Person for Unregistered Activity

On September 1, 2016, the Division of Securities entered a final order against Mark A. Czaja for engaging in unregistered investment advisory activities. A \$10,000 administrative fine was paid.

Final Order for \$10,000 Fine Against an Associated Person for Unregistered Activity

On September 1, 2016, the Division of Securities entered a final order against Timothy P. Ciraulo for engaging in unregistered investment advisory activities. A \$10,000 administrative fine was paid.

3. Enforcement Results

Miami-Dade Man Surrenders for Role in Alleged Fraud

On August 30, 2016, Salim Lyazidi surrendered to authorities in Miami-Dade County after being charged with organized fraud and grand theft. Lyazidi had been living in California, where he had fled following the issuance of an arrest warrant on July 6, 2016. The charges against Lyazidi resulted from an OFR investigation, which found that Lyazidi, a formerly licensed financial adviser,

allegedly misappropriated \$88,746.88 from a retired Miami couple who were Lyazidi's investment clients for more than 10 years. The victims followed Lyazidi after his departure from a previous employer and transferred their accounts to his new employer, Cabot Lodge Securities. The funds were obtained by Lyazidi between May and August of 2103 without the victims' authorization or knowledge. Lyazidi is alleged to have generated false documents authorizing the transfer of the funds and falsified the victims' signatures. The money was deposited into an account controlled by Lyazidi, and analysis of bank records showed that the funds were spent mostly on Lyazidi's personal expenses. When the victims found out about the unauthorized withdrawals, they asked Lyazidi to return their money. Lyazidi did not return any money to the victims and they filed a complaint with his employing firm, FINRA and the OFR. Cabot Lodge Securities conducted an internal investigation which concluded that Lyazidi misappropriated the funds from the victims' retirement accounts and ultimately the firm repaid the \$88,746.88 to the victims. The Miami-Dade County State Attorney's office is prosecuting this case.

Man Pleads Guilty to Role in Viatical Settlements Investment Fraud

On August 23, 2016, Giovanni Vasquez pled guilty to one count of federal mail fraud in connection with a viatical settlements scheme that resulted in more than \$4 million in losses to investors. The conviction follows a joint OFR and FBI investigation, which was opened based on complaints received by the OFR from at least eight victims. These victims were promised a 10-15 percent return on their investments in promissory notes purportedly sold to fund the defendant's viatical settlements business, Global Wealth Creations. The funds were to be invested in the purchase of existing life insurance policies from individuals with short-term life expectancies of between 2 – 10 years. Upon payment of the death benefits, investors were promised to be paid their original investment plus the interest rate stated on the note. As the notes' maturity dates approached, several of the victims attempted to contact Global Wealth Creations, but discovered that the place of business had closed and Vasquez would not return any telephone calls or emails. In addition to verbal representations concerning the safety of the investments, the marketing materials from Global Wealth Creations stated that if no funds were available from the viatical settlement policies to cover the investors' returns, an insurance policy would cover payments on the promissory notes when the note payments became due. The investigation did not find any evidence that such an insurance policy was ever purchased by Global Wealth Creations. The OFR developed this case jointly with the FBI and the case is being prosecuted by the United States Attorney's Office in Miami.

New Issues

1. Communications and Outreach Activities

On September 6, 2016, the OFR issued a press release announcing that financial services business are open following Hurricane Hermine.

[Press Release: Florida State-Chartered Financial Institutions Open for Business Tuesday](#)