

GOVERNOR RICK SCOTT

WEEKLY AGENCY REPORT

OFFICE OF FINANCIAL REGULATION

WEEK ENDING JANUARY 30, 2014

Successes for Week Ending January 30, 2014

1. Licensing and Registration

- Division of Securities
 - Applications Received: 918
 - Applications Approved: 938
 - Applications Denied/Withdrawn: 15

- Division of Consumer Finance
 - Applications Received: 662
 - Applications Approved: 694
 - Applications Denied/Withdrawn: 17

- Division of Financial Institutions
 - Applications Received: 3
 - Applications Approved: 1
 - Applications Denied/Withdrawn: 1

2. Regulatory Actions

Denial of Broker Dealer Branch Office

On January 22, 2014, the Division of Securities entered a Final Order against Prime Capital Service, Inc., denying the firm's application for registration of a branch office located in Venice, FL, after the firm failed to request a hearing. The Final Order follows a Notice of Intent to Deny, which alleges Prime Capital Service, Inc. is the subject of a pending enforcement action and has demonstrated unworthiness to transact the business of a broker dealer in the state of Florida.

Denial of Associated Person

On January 22, 2014, the Division of Securities entered a Final Order against Kenneth Vincent Deciccio, denying his application for registration as an associated person, after he failed to request a hearing. The Final Order follows a Notice of Intent to Deny, which alleged Mr. Deciccio made a material misrepresentation or misstatement on his application for registration.

Suspension, \$20,000 Fine and \$10,000 Customer Restitution against an Investment Adviser

On January 22, 2014, the Division of Securities entered a Final Order against Wall Street Money Management Group, Inc. and Peter Bruno for failing to disclose a material conflict of interest, comply with financial statement and custody safekeeping requirements, and providing clients a pro rata refund of the quarterly fee when clients requested early termination their contracts; misrepresenting the qualifications of the firm; making unsuitable recommendations; and offering to sell unregistered securities, among other violations. Wall Street Money Management Group, Inc. and Peter Bruno agreed to pay \$10,000 in restitution and a \$20,000 administrative fine. Pursuant to the Final Order, Mr. Bruno's and the firm's registration was suspended for fifteen days.

3. Enforcement Actions

Orlando Area Men Sentenced to 9 Years for Roles in Investment Fraud Scheme

On January 23, 2014, Phillip Leon and John Wilkins were sentenced to 9 years of federal prison, were ordered to pay \$17 million in restitution, and to forfeit over \$4 million in artwork and monies being held in various banks and trading accounts. The charges and subsequent conviction stem from Leon and Wilkins' role in an elaborate investment fraud that bilked investors out of more than \$18 million nationwide. A joint OFR/US Secret Service investigation revealed that from 2009 to 2012, Leon and his partner, John Wilkins, raised over \$18 million from more than 200 investors by falsely claiming that the Matterhorn Fund (an unregistered hedge fund managed by Leon and Wilkins) generated annual rates of return ranging from 11% to 91% between the years 1980 and 2009. However, the investigation found that the Matterhorn Fund did not exist until 2009. The investigation also revealed that both men misrepresented their employment histories and educational backgrounds in communications with investors. These misrepresentations and others are believed to have been at the center of the pairs' efforts to exploit unsuspecting investors, ultimately luring many of them to place money in the fund. A review of the fund's bank and trading records revealed that in early 2010, when the Matterhorn Fund began to lose money, Leon and Wilkins falsified the Matterhorn Funds' performance reports to show the fund had generated extraordinary gains. The men then used these false reports to solicit investment funds from additional victims and to create new hedge funds with the promise of similarly outlandish returns. The case was prosecuted by the United States Attorney's Office. The National Futures Association had previously taken an emergency enforcement action against the Matterhorn Fund's parent company, Altamont Global Partners LLC, and its principal, John Wilkins, based on its determination that investor funds had been misappropriated.

New Issues

No new issues to report this week.