

# GOVERNOR RICK SCOTT

## WEEKLY AGENCY REPORT

### OFFICE OF FINANCIAL REGULATION

WEEK ENDING November 12, 2015

#### Successes for Week Ending November 12, 2015

#### 1. Licensing and Registration

- Division of Securities
  - Applications Received: 1,144
  - Applications Approved: 1,116
  - Applications Denied/Withdrawn: 9
  
- Division of Consumer Finance
  - Applications Received: 1,331
  - Applications Approved: 1,501
  - Applications Denied/Withdrawn: 21
  
- Division of Financial Institutions
  - Applications Received: 0
  - Applications Approved: 1
  - Applications Denied/Withdrawn: 0

#### 2. Regulatory Actions

##### Three-Year Bar and \$1,000 Fine Against an Investment Adviser Firm and an Associated Person for Prohibited Business Practices

On November 4, 2015, the Division of Securities entered a final order against American Wealth Inc., and Quincy S. Faison for engaging in prohibited business practices by failing to timely file financial statements. American Wealth Inc., and Quincy S. Faison are barred for three years from engaging in, affiliating with or seeking future registration as a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, F.S. A \$1,000 administrative fine was paid.

##### Final Order for \$7,500 Fine Against an Associated Person for Unregistered Activity

On November 4, 2015, the Division of Securities entered a final order against Dragi Paunovski for engaging in unregistered investment advisory activities. A \$7,500 administrative fine was paid.

##### Permanent Bar and \$600,000 in Total Fines Against an Unregistered Broker Dealer and Associated Person for Fraud

On November 6, 2015, the Division of Securities entered a final order against

Scurry Capital Consulting, LLC, and Stephen Andrew Comeau permanently barring the firm and him from registration with the OFR, after they failed to request a hearing. The final order follows an administrative complaint, which alleged Scurry Capital Consulting, LLC, and Mr. Comeau offered and sold unregistered securities, engaged in securities business in Florida without being registered and conducted fraudulent securities transactions. A total of \$600,000 in administrative fines was assessed.

### **3. Enforcement Actions**

#### Defendant Sentenced in Real Estate, Commodities and Foreign Currency Scam

On November 3, 2015, Guerdin Lecorps of Miramar was sentenced by the Circuit Court of Miami-Dade County to serve 365 days in state prison to be followed by three years of probation. The sentence follows an August 26, 2015 guilty plea to one count of conspiracy to commit racketeering. In the preceding week, and as the result of a separate OFR investigation (KMC Mortgage Corp.), Lecorps was sentenced to 36 months in federal prison. He will be serving the state and federal prison sentences concurrently. Lecorps and co-conspirators in the scheme, Anthony St. Prix, Wanda Morales (St. Prix's wife) and Charles Angrand, were initially charged with one count each of racketeering, conspiracy to commit racketeering, first degree grand theft and organized scheme to defraud. The OFR investigation revealed that from July 2005 through September 2008, the defendants engaged in several schemes through which they defrauded more than 140 primarily Haitian-American victims in South and Southwest Florida. Lecorps and principal defendant Anthony St. Prix were alleged to have sought investors to participate in "pooled investments." Victims claimed that St. Prix proposed an investment opportunity involving the development of properties in Southwest Florida as well as investments in foreign currencies, commodities and collateralized mortgage obligations. The investigation revealed that all were fraudulent offerings involving misrepresentations by St. Prix. The victims signed contracts and invested funds in excess of \$3 million based on those misrepresentations. On May 15, 2015, Angrand pled guilty to conspiracy to commit racketeering and was sentenced to five years' probation. St. Prix and Morales are scheduled to go on trial this week.

#### Final Order Entered Against Loan Broker for Taking Unlawful Advance Fees

On November 4th, 2015 a final order was entered against respondents Cornerstone Capital Investment Corp., William Blackmer and Michael Blackmer (an officer of the company). The order follows an administrative complaint entered on June 22, 2015, based on investigative findings which revealed that William Blackmer, President of Cornerstone, collected advance fees of \$335,500 from two prospective borrowers on the promise of securing loans to fund their individual business development plans. The fees were collected in violation of Chapter 687.141, Florida Statutes. According to the loan funding criteria set by Blackmer, in order for the prospective borrowers to receive a loan, they would have to wire an "administrative fee" to Blackmer to cover administrative, legal and other expenses. At the same time, the borrowers were to wire an

“arrangement fee,” totaling approximately one percent of the requested loan amounts, to an escrow account established by the supposed lender. Blackmer opened an escrow account with Commercial Escrow Services Inc., located in California, specifically for the deposits of these arrangement fees and told prospective borrowers he was going to use the arrangement fees to purchase AAA-rated securities that “would be held until the funding initiative is complete and the funding terms ...have been met.” Blackmer collected the fees from the prospective borrowers but did not secure any loans for them. The final order imposes a \$10,000 fine against the respondents. The respondents did not respond to an administrative law judge’s order to answer the OFR’s discovery requests by October 15, 2015. As such, jurisdiction in the case was relinquished to the OFR from the Division of Administrative Hearings and the final order was entered.

#### Loan Broker Sentenced to 10 Years in Prison for Advance Fee Scam

On November 5, 2015, defendant Douglas Lee Carter entered a plea of guilty in Collier County Circuit Court to one count of communications fraud (scheme to defraud) and 13 counts of taking advance fees as a loan broker in violation of Chapter 687, Florida Statutes. Carter was sentenced to a 10 year prison term to be followed by 10 years of probation. Carter was also ordered to pay \$114,100 in restitution to victims along with nearly \$10,000 in investigative, prosecutorial and court costs. Previously, on October 13, 2015, Carter’s co-conspirator in the scheme, James Spillers, pled guilty to one count of grand theft and 13 counts of taking advance fees as a loan broker for his role in the fraud. Spillers was sentenced to a four year prison term to be followed by 10 years of probation. Both Carter and Spillers were arrested in September 2014, on charges that they were operating a sophisticated fraudulent loan scheme, through which more than \$185,000 in illegal advance fees was collected from prospective borrowers. Borrowers paid the advance fees on the promise of obtaining residential and commercial loans. The men used websites such as “lendinguniverse.com” to lure prospective borrowers and are believed to have victimized over 100 individuals throughout the U.S. and Canada with at least 20 of those residing in Florida. No loans were ever funded or materialized. Evidence obtained during the course of the investigation indicated that the actual loss to prospective borrowers both within and outside the state was estimated to be greater than \$900,000. The OFR was the lead investigative agency in this case, teaming principally with the Volusia County Sherriff’s Office and the Collier County Sherriff’s Office. The Attorney General’s Office of Statewide Prosecution prosecuted the case.

[Press Release: Naples Men Sentenced in Advance Fee for Loan Scam](#)

#### **New Issues**

No new issues to report this week.