

# GOVERNOR RICK SCOTT

## WEEKLY AGENCY REPORT

### OFFICE OF FINANCIAL REGULATION

WEEK ENDING December 10, 2015

#### Successes for Week Ending December 10, 2015

#### 1. Licensing and Registration

- Division of Securities
  - Applications Received: 1,369
  - Applications Approved: 1,274
  - Applications Denied/Withdrawn: 11
  
- Division of Consumer Finance
  - Applications Received: 628
  - Applications Approved: 683
  - Applications Denied/Withdrawn: 7
  
- Division of Financial Institutions
  - Applications Received: 0
  - Applications Approved: 0
  - Applications Denied/Withdrawn: 0

#### 2. Regulatory Sanctions

##### Termination of an Investment Adviser's Registration and \$1,000 Fine for Prohibited Business Practices

On December 1, 2015, the Division of Securities entered a final order against ESW Financial Group, LLC and William Woolfork for engaging in prohibited business practices by failing to maintain an accurate Form ADV, file audited financial statements, maintain required net capital, timely notify the OFR of the firm's net capital deficiency, accurately disclose written investment advisory contracts and comply with the custody requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. In addition, the ESW Financial Group, LLC charged one client an unreasonable advisory fee. ESW Financial Group, LLC agreed to terminate its registration as an investment adviser with the State of Florida. Pursuant to the final order, the firm and Mr. Woolfork are ineligible to apply for registration as an investment adviser with the State of Florida for five years. A \$1,000 administrative fine was paid.

##### Permanent Bar and \$100,000 in Total Fines Against Unregistered Broker Dealer, Issuer Dealer, and Associated Person for Unregistered Activity and Fraud

On December 1, 2015, the Division of Securities entered a final order against

Leland Energy Inc., Leland Kentucky Holdings Inc., Stephen M. Thompson and Cumberland Revenue Drilling Fund, LLP permanently barring them from seeking future registration as a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, F.S., after they failed to request a hearing. The final order follows an administrative complaint, which alleged the firms and Mr. Thompson offered and sold unregistered securities, engaged in securities business in Florida without being registered and conducted fraudulent securities transactions. A total of \$100,000 in administrative fines was assessed.

Final Order for \$6,000 Fine Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On December 7, 2015, the Division of Securities entered a final order against Brian S. Pearce Inc., Dynamic Wealth Management and Brian S. Pearce for engaging in prohibited business practices by failing to send clients itemized invoices, file audited financial statements and comply with the custody requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. A \$6,000 administrative fine was paid.

Final Order for \$15,000 Fine Against a Broker Dealer Firm for Prohibited Business Practices

On December 7, 2015, the Division of Securities entered a final order against Trade-PMR Inc., for engaging in prohibited business practices by failing to report a customer complaint to FINRA within 10 business days, keep and preserve a separate file of all written customer complaints, and maintain and enforce written supervisory procedures. A \$15,000 administrative fine was paid.

Final Order for \$15,000 Fine Against an Investment Adviser Firm for Prohibited Business Practices and an Unregistered Branch Office

On December 7, 2015, the Division of Securities entered a final order against Portfolio Management & Research Inc., for engaging in prohibited business practices by failing to maintain an accurate Form ADV, file audited financial statements and send clients itemized invoices. In addition, the firm conducted investment advisory business from a branch office within this state without the benefit of lawful registration. A \$15,000 administrative fine was paid.

## **New Issues**

No new issues to report this week.