

GOVERNOR RICK SCOTT

WEEKLY EOG AGENCY REPORT

OFFICE OF FINANCIAL REGULATION

WEEK ENDING DECEMBER 13, 2012

Successes for Week Ending December 13, 2012

1. Licensing and Registration

- Division of Securities
 - Applications Received: 889
 - Applications Approved: 843
 - Applications Denied/Withdrawn: 6

- Division of Consumer Finance
 - Applications Received: 240
 - Applications Approved: 224
 - Applications Denied/Withdrawn: 12

2. Regulatory Sanctions

Final Order for \$11,250 Fine against an Investment Adviser Agent for Unregistered Activity

On December 5, 2012, the Division of Securities entered a Final Order against Morton Hart Sachs for engaging in investment advisory business in Florida without being registered. An administrative fine of \$11,250 was paid.

Final Order for \$16,875 Fine against an Investment Adviser Agent for Unregistered Activity

On December 6, 2012, the Division of Securities entered a Final Order against John Eston McCullough for engaging in investment advisory business in Florida without being registered. An administrative fine of \$16,875 was paid.

Final Order for \$1,125,333 Fine against Unregistered Broker Dealer and Investment Adviser

On December 5, 2012, the Division of Securities, in conjunction with a multi-state settlement, entered a Final Order against Bankers Life and Casualty Company and BLC Financial Services, Inc. for engaging in brokerage and investment advisory business in Florida without being registered. In accordance with the terms of the settlement, an administrative fine of \$1,125,333.66 was paid to the State of Florida.

Final Order for \$15,000 Fine against an Investment Adviser Agent for Unregistered Activity

On December 10, 2012, the Division of Securities entered a Final Order against Dolores Ann Dixon for engaging in investment advisory business in Florida without being registered. An administrative fine of \$15,000 was paid.

3. Enforcement Actions

Investment Fraud

On December 12, 2012, Michael C. Rogers and Jonathan Hirsch were arrested and charged with fraud and grand theft. It is alleged that Rogers solicited eight investors to purchase shares of common stock in Facebook and ARCIS Resources. Rogers allegedly told prospective investors that his company, QFC Consulting, Inc., was a private equity firm that had early access to pre-IPO shares of Facebook. He purportedly assured investors that they would make a great deal of money once Facebook went public. Once investors sent in their money, they received stock purchase agreements but no shares of stock. The investigation revealed that neither Rogers nor Hirsch possessed any shares of Facebook or ARCIS Resources. An analysis of the bank records revealed investor money was not used to purchase stock. Instead, the funds were used for the benefit of Rogers and Hirsch.

Neither Rogers nor Hirsch were registered to sell securities. This case was worked jointly with the Ft Lauderdale Police Department and is being prosecuted by the Broward State Attorney's Office.

New Issues

No new issues to report this week.