

GOVERNOR RICK SCOTT
MONTHLY AGENCY ACHIEVEMENT REPORT
OFFICE OF FINANCIAL REGULATION
FEBRUARY 2013

FEBRUARY ACHIEVEMENTS

1. Monthly Statistics

- Division of Securities
 - Examinations Opened: 20
 - Examinations Closed: 25
 - Complaints Received: 18
 - Complaints Closed: 22
 - Applications Received: 3,660
 - Applications Approved: 3,660
 - Applications Denied/Withdrawn: 86

- Division of Consumer Finance
 - Examinations Opened: 17
 - Examinations Closed: 214
 - Complaints Received: 272
 - Complaints Closed: 274
 - Applications Received: 1,331
 - Applications Approved: 1,371
 - Applications Denied/Withdrawn: 63

- Division of Financial Institutions
 - Examinations Opened: 6
 - Examinations Closed: 8
 - Complaints Received: 45
 - Complaints Closed: 50
 - Applications Received: 4
 - Applications Approved: 10
 - Applications Denied/Withdrawn: 0

- Bureau of Financial Investigations
 - Investigations Opened: 15
 - Investigations Closed: 15
 - Complaints Received: 13
 - Complaints Closed: 16

2. Substantial Sanctions

Permanent Bar of Unregistered Agent for Unregistered Activity

On January 30, 2013, the Division of Securities entered a Final Order against Parry W. Clark for selling unregistered securities and engaging in securities business in Florida without being registered. Parry W. Clark was permanently barred from seeking future registration as a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, F.S.

Permanent Bar of Unregistered Agent for Unregistered Activity

On January 30, 2013, the Division of Securities entered a Final Order against Robert L. Cicetti for offering and selling unregistered securities, and for engaging in securities business in Florida without being registered. Robert L. Cicetti was permanently barred from seeking future registration as a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, F.S.

Final Order for \$70,000 Fine and \$100,000 Damages to Investors against a Broker Dealer, Investment Adviser and Agents for Violations of the Florida Securities and Investor Protection Act, Chapter 517, F.S., involving Variable Annuity Contracts

On January 30, 2013, the Division of Securities entered a Final Order against Prime Capital Services, Inc., Asset & Financial Planning, Ltd., Scott Aabel, Antonio Gomes and Richard Caparelli, for violations of the Florida Securities and Investor Protection Act, Chapter 517, F.S. Violations involved the failure to disclose that the deduction of management fees associated with certain variable annuity contracts would negatively impact one of the annuity contract's riders. Pursuant to the terms of the agreement, the firms and individuals shall pay a \$70,000 administrative fine, \$100,000 to impacted investors, and \$26,175 in costs to the Division.

Permanent Bar and \$90,000 Fine of Broker Dealer Agent for Fraud

On February 7, 2013, the Division of Securities entered a Final Order against Brent Deviney for engaging in fraudulent securities transactions. Deviney was permanently barred from seeking future licensure and/or registration with the Office of Financial Regulation. A \$90,000 administrative fine was assessed.

Final Order for \$40,000 Fine against a Broker Dealer Firm for Prohibited Business Practices

On February 12, 2013, the Division of Securities entered a Final Order against NewBridge Securities Corporation for failing to establish, maintain and enforce proper supervisory procedures, failing to accurately and timely report customer complaint information to FINRA, and charging excessive commissions to clients. A \$40,000 administrative fine was paid.

Final Order for Fines Totaling \$43,125 against an Investment Adviser Firm and Two Associated Persons for Unregistered Investment Advisory Business

On February 12, 2013, the Division of Securities entered a Final Order against Wells Fargo Advisors, LLC, Martin Shapiro, and Samuel Beach Jr. for engaging in investment advisory business in Florida without being registered. Fines totaling \$43,125 were paid.

Permanent Bar against Broker Dealer Agent for Fraudulent Transactions

On February 18, 2013, the Division of Securities entered a Final Order against Alice H. Everett for the following: omissions and misrepresentations of material facts to investors regarding risk and rate of return; borrowing money from a client; and failing to provide written notice to her employing broker dealer firms of her participation in private securities transactions and outside business activity. Ms. Everett was permanently barred from licensure and/or registration with the Office.

Denial of Associated Person

On February 19, 2013, the Division of Securities entered a Final Order against Mark Allen Remillard, 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. Remillard made a material misrepresentation or misstatement on his application for registration.

Final Orders for \$9,000 in Fines against Investment Adviser Firms for Failure to File Financial Statements

During February 2013 the Division of Securities entered Final Orders against three investment adviser firms for failing to file annual financial statements. . Administrative fines totaling \$9,000 were assessed.

3. Enforcement Actions

Tampa Man Sentenced to Three Years For Investment Fraud

On February 20, 2013, Stephen T. Muench was sentenced to three years in prison followed by seven years of probation after pleading guilty to two counts of sale of unregistered securities, two counts of sale of security by an unregistered dealer and one count of organized fraud, a first degree felony. Muench sold unregistered securities in the Trans Continental Airlines Employee Investment Savings Account Program to 73 Florida Investors who invested in excess of \$8 million. Muench was paid in excess of \$500,000 in commissions on these transactions.

Orlando Man Arrested for Investment Fraud

On February 12, 2013, Gurudeo Persaud, owner of White Elephant Trading Company (WETCO) was arrested by Special Agents of the FBI on one count of mail fraud and four counts of wire fraud. Persaud was also arraigned and pled not guilty. The joint FBI/OFR investigation revealed that from July 2007 to January 2010, Persaud is alleged to have used WETCO to raise over \$1,000,000 from 14 Florida and out-of-state investors through fraudulent pretenses and

representations. Persaud's activity came to light In June 2012 when the SEC filed a civil suit against him. <http://www.sec.gov/litigation/complaints/2012/comp-pr2012-118.pdf>

Miami Men Sentenced For Securities Fraud

On February 8, 2013, Robert DiCarlo was sentenced in federal court to 41 months in prison and Robert Martin Valdes was sentenced to 24 months in prison. The joint OFR/FBI investigation revealed that from August 2009 through June 2011, DiCarlo and Valdes operated a boiler room in Ft. Lauderdale that took in \$2,200,000 from 120 investors to purportedly purchase stock in Elite Global Capital Management (EGCM). EGCM, a legitimate company, was unaware of the purported sales and was not affiliated with the defendants.

4. Outreach Activities

On February 5, 2013, representatives of the Division of Financial Institutions spoke at the National Association of State Credit Union Supervisors (NASCUS) Directors Conference in Lake Mary, Florida. Approximately 50 participants attended this event.

On February 14, 2013, members of the Division of Financial Institutions, Miami Regional Office, participated in the "Meet the U.S. Regulators" panel for Florida International Bankers Association's 2013 AML Compliance Conference. The conference is a two day event (February 13-14, 2013) held at the Hotel InterContinental in Miami, Florida. The OFR's presentation focused on recent changes in Florida Statutes related to transactions with Iran, specifically Section 655.968, F. S. More than 1,000 participants from all over the globe attended this conference.