

# GOVERNOR RICK SCOTT

## WEEKLY AGENCY REPORT

### OFFICE OF FINANCIAL REGULATION

WEEK ENDING AUGUST 29, 2013

#### Successes for Week Ending August 29, 2013

#### 1. Licensing and Registration

- Division of Securities
  - Applications Received: 961
  - Applications Approved: 957
  - Applications Denied/Withdrawn: 13
  
- Division of Consumer Finance
  - Applications Received: 386
  - Applications Approved: 406
  - Applications Denied/Withdrawn: 13
  
- Division of Financial Institutions
  - Applications Received: 5
  - Applications Approved: 2
  - Applications Denied/Withdrawn: 0

#### 2. Regulatory Sanctions

##### Final Order for \$19,500 Fine against an Investment Adviser Agent for Unregistered Activity and Prohibited Business Practices

On August 23, 2013, the Division of Securities entered a Final Order against Annette Manon for engaging in prohibited business practices and investment advisory business in Florida without being registered. An administrative fine of \$19,500 was assessed.

##### Permanent Bar of Broker Dealer Agent for Fraud

On August 23, 2013, the Division of Securities entered a Final Order against Sean Donald Premock for engaging in fraudulent securities transactions. Sean Donald Premock 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.

##### Denial of Motor Vehicle Retail Installment Seller

On August 23, 2013, the Division of Consumer Finance entered a Final Order against Bruce's Auto Sales, Inc. denying the application for registration as a Motor Vehicle Retail Installment Seller, after failing to request a hearing. The Final Order follows a Notice of Intent to Deny which alleged Bruce Alan Ray, the

President and 100% owner of Bruce's Auto pled guilty to "Grand Theft," "Obtaining Worthless Property in Return for Worthless Check" and making a material misrepresentation or misstatement on the application for licensure.

### **3. Enforcement Actions**

#### Orlando Area Man Pleads Guilty to Investment Related Fraud Charges

On August 22, 2013, John Wilkins pled guilty to one count of conspiracy to commit mail fraud and one count of conspiracy to commit wire fraud. A joint OFR/U.S. Secret Service investigation determined that from 2009 to 2012, Wilkins and his partner raised over \$18 million from over 200 investors for an investment in a hedge fund managed by the defendant. The investigation also determined that Wilkins had misrepresented his background to investors and falsely claimed the hedge fund had generated annual rates of return between 11 and 91 percent from 1980 to 2009. An analysis of bank and brokerage records also determined that the defendant had misappropriated investor funds. The National Futures Association had previously taken an emergency enforcement action against Wilkins and his company, Altamonte Global Partners LLC. Wilkins is scheduled to be sentenced in late November 2013.

#### South Florida Man Arrested and Charged for Role in \$30 Million Ponzi Scheme

On August 23, 2013, the FBI arrested George Louis Theodule in Port St. Lucie, Florida, following a grand jury indictment charging him with 36 counts of wire fraud, one count of securities fraud, and three counts of money laundering. Theodule was indicted for his role in orchestrating a massive Ponzi scheme affecting the Haitian community in South Florida and elsewhere. Theodule is alleged to have falsely represented himself as an investment guru, capable of doubling investors' money every 30 to 90 days. Theodule advertised the investment opportunity through churches, word of mouth, seminars and other group presentations. He is also alleged to have persuaded investors to form "investment clubs" into which participants pooled their money and then turned it over to him. Consequently, investors formed more than 100 clubs in approximately seven states. According to the indictment, from at least July 2007 through December 2008, Theodule is alleged to have collected more than \$30 million from investors. Theodule opened a number of trading accounts with online-brokerage firms to trade investors' money. Theodule lost the money he invested in the market, all the while assuring investors that their monies were safe and guaranteed. Furthermore, Theodule purportedly paid early investors with money from newer investors and used a significant amount of investors' money to fund his extravagant lifestyle, including renting two mansions in Georgia, paying for his wedding, providing large monetary gifts to his girlfriends and taking trips abroad. On December 29, 2008, the Securities and Exchange Commission (SEC) commenced a complaint against Theodule and his various companies. In March 2010, the SEC obtained a Judgment of Permanent Injunction and Other Relief against Theodule and the court ordered Theodule to pay \$5,099,512 in disgorgement. This case is a joint investigation between FBI

(West Palm Beach Office) and the OFR and is being prosecuted by the United States Attorney's Office.

#### Loan Broker Sentenced to Seven Years in State Prison for an Advance Fee for Loan Scam

On August 26, 2013, Miami-Dade Circuit Judge Eric Hendon sentenced Berthram B. Samuel of Miami-Dade County to seven years in state prison to be followed by seven years of supervised release. According to testimony and evidence presented at trial, from December 2007 through April 2011, Samuel advertised short-term investment loans, letters of credit, and investment loans up to ten million dollars on his website, business conferences, newspapers, and through a loan broker located in Southern California. Samuel falsely represented to borrowers that his company specialized in financing big international projects as well as projects in the United States. Samuel also represented that his company had \$120,000,000 in a bank in Germany. Samuel charged prospective borrowers over \$400,000 in advance fees, but none of the prospective borrowers received a loan. A jury found Samuel guilty of one count of grand theft in the first degree; two counts of grand theft in the second degree, two counts of grand theft in the third degree, and two counts of unlawfully collecting advance fees, in violation of 687.141, Florida Statutes. The State Attorney's Office, 11th Judicial Circuit, Miami-Dade County, prosecuted the case.

### **New Issues**

#### **1. Outreach Activities**

On August 28, 2013, Commissioner Breakspear participated in the Federal Reserve Bank of Atlanta Banker Outreach Forum in Tampa. Topics discussed included revenue creation, cost of funds, asset quality, lending opportunities, and risk management tools.