

GOVERNOR RICK SCOTT

WEEKLY AGENCY REPORT

OFFICE OF FINANCIAL REGULATION

WEEK ENDING SEPTEMBER 19, 2013

Successes for Week Ending September 19, 2013

1. Licensing and Registration

- Division of Securities
 - Applications Received: 1,092
 - Applications Approved: 1,105
 - Applications Denied/Withdrawn: 10

- Division of Consumer Finance
 - Applications Received: 319
 - Applications Approved: 317
 - Applications Denied/Withdrawn: 9

- Division of Financial Institutions
 - Applications Received: 1
 - Applications Approved: 1
 - Applications Denied/Withdrawn: 0

2. Regulatory Sanctions

On September 11, 2013, the Division of Consumer Finance entered a Final Order against Certified Motors, LLC. denying the application for licensure as a Motor Vehicle Retail Installment Seller. A formal hearing was held on May 14, 2013 and the Administrative Law Judge recommended issuing a Final Order denying the license application. The Final Order follows a Notice of Intent to Deny which alleged Joseph Elnaggar, the 100 percent owner of Certified Motors, pled guilty to "Grand Theft", "Arson" and making a material misrepresentation or misstatement on the application for licensure.

3. Enforcement Actions

Four Charged in Haitian Affinity Fraud Scheme

On September 5, 2013, Circuit Judge Miguel De La O issued warrants for the arrests of Anthony St Prix, his wife, Wanda Morales, Guerdin Lecorps, and Charles Y. Angrand. The defendants have been charged with one count of racketeering, one count of conspiracy to commit racketeering, one count of grand theft in the first degree, and one count organized scheme to defraud as a result of an investigation by the Florida Office of Financial Regulation, Bureau of Financial Investigations.

Angrand was arrested by the Florida Division of Insurance Fraud, Lecorps was arrested by Pembroke Pines Police Department, and St Prix and Morales were taken into custody by the New York Police Department. The Florida Office of Financial Regulation investigation alleged that from July 2005 through March 2010, the defendants defrauded more than 140 victims in the Southwest Florida and South Florida Haitian communities through various schemes involving land sales and foreign currency options trading. St Prix and his co-conspirators advertised on the internet and made sales presentations at churches in Naples and Fort Myers offering one-acre tracts of land for sale in Punta Gorda and Sebring. St Prix falsely represented to investors that he owned the land. St Prix entered into contracts to sell the land to the victims while his co-conspirators conducted sham closings at a church in Naples. As part of the closing, the victims were provided with fictitious warranty and quitclaim deeds. Soon after the closing, the victims received a "certificate of ownership" as proof that they owned the land. The victims then made monthly mortgage payments to companies controlled by the defendants. St. Prix also lured victims into investing in foreign currency exchange options by telling them he would pay them monthly interest and refund 100% of their principal when the land development project was completed. St Prix opened a foreign currency trading account, but he soon lost all the money. A review of the bank records revealed an apparent Ponzi scheme. There were no trading or investment profits and established investors were paid with funds from new investors. The investigation also determined that the defendants received funds from the victims in excess of \$4,000,000, of which approximately \$1,700,000 was used for their personal benefit. The charges filed against the defendants are accusations and the defendants are presumed innocent until proven guilty. The defendants will be prosecuted by the Attorney General's Office of Statewide Prosecution.

New Issues

1. Outreach Activities

On September 12, 2013, a member of the Division of Financial Institutions was a speaker at the monthly chapter dinner for the Northwest Florida Credit Unions. The dinner was held in Pensacola, Florida, with approximately 125 attendees representing credit unions in Escambia, Santa Rosa, and Okaloosa Counties. The topic of discussion was the current state of state-chartered credit unions in Florida.