

GOVERNOR RICK SCOTT

WEEKLY AGENCY REPORT

OFFICE OF FINANCIAL REGULATION

WEEK ENDING SEPTEMBER 26, 2013

Successes for Week Ending September 26, 2013

1. Licensing and Registration

- Division of Securities
 - Applications Received: 1,058
 - Applications Approved: 1,029
 - Applications Denied/Withdrawn: 9

- Division of Consumer Finance
 - Applications Received: 935
 - Applications Approved: 908
 - Applications Denied/Withdrawn: 16

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 - Applications Denied/Withdrawn: 0

2. Regulatory Sanctions

Permanent Bar and \$105,000 Fine against Unregistered Broker Dealer and Agent for Unregistered Securities Business

On September 23, 2013, the Division of Securities entered a Final Order against Maverick International, Inc. and Wesley Alan Brown for engaging in the securities business in Florida without being registered, offering and selling unregistered securities and for failing to provide the purchasers of securities with a proper prospectus. Maverick International, Inc. and Wesley Alan Brown were permanently barred from engaging in securities related business in Florida and from seeking future registration as a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, F. S. A \$105,000 administrative fine was assessed.

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

On September 23, 2013, the Division of Securities entered a Final Order against Aegis Capital Corp. for engaging in prohibited business practices by failing to have adequate supervisory procedures relating to outside business activity and failing to adequately follow written procedures relating to advertising. A \$15,000 administrative fine was paid.

3. Enforcement Actions

Florida Man Sentenced to 48 Months in Prison for Fraud

On September 20, 2013, Defendant David Eugene Howard II was sentenced in Federal Court, Eastern District of Virginia, to 48 months in federal prison for mail fraud. Howard was also ordered to serve a 3-year term of supervised release and to pay \$373,000 in restitution. This case was opened by the OFR in March 2009 based on a complaint about Howard and his company, Flatiron Systems LLC. A joint OFR/FBI investigation determined that from March 2008 through April 2009, Howard told his victims that his company traded pooled equity accounts using a trading system called "Pathfinder." Howard sent investors misleading letters and account statements misrepresenting profits he claimed the investors were earning. Through this scheme, Howard took in over \$1.8 million, of which he personally misappropriated \$373,000. Much of the investors' money was lost in equities trading. When investors began inquiring about their money in December 2008, Howard told them that their trading accounts had been suspended and that they could not take any money out of his fund, because an independent audit was in progress. Howard later sent another letter to investors which said that the audit had been extended and he had his lawyers working to speed things up.

New Issues

No new issues to report this week.