

GOVERNOR RICK SCOTT

WEEKLY AGENCY REPORT

OFFICE OF FINANCIAL REGULATION

WEEK ENDING SEPTEMBER 5, 2013

Successes for Week Ending September 5, 2013

1. Licensing and Registration

- Division of Securities
 - Applications Received: 1,051
 - Applications Approved: 1,093
 - Applications Denied/Withdrawn: 5

- Division of Consumer Finance
 - Applications Received: 181
 - Applications Approved: 230
 - Applications Denied/Withdrawn: 25

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 - Applications Denied/Withdrawn: 0

2. Regulatory Sanctions

Final Order for \$10,000 against Broker Dealer Agent for Misrepresentation

On August 30, 2013, the Division of Securities entered a Final Order against Robert Joseph Eanell after he failed to request a hearing. The Final Order follows an Administrative Complaint, which alleged that Mr. Eanell misrepresented to customers that he held a bona fide doctorate degree. A \$10,000 administrative fine was assessed.

3. Enforcement Actions

Orlando Area Man Pleads Guilty for Role in Investment Scheme

On August 22, 2013, defendant John Wilkins pled guilty in federal court to one count of conspiracy to commit mail fraud and one count of conspiracy to commit wire fraud. The charges and subsequent conviction stem from Wilkins' role in an elaborate investment fraud that bilked investors out of more than \$18 million nationwide. A joint OFR/US Secret Service investigation revealed that from 2009 to 2012, Wilkins and his partner, Phillip Leon, raised over \$18 million from more than 200 investors by falsely claiming that the Matterhorn Fund (an unregistered hedge fund managed by the defendants) generated annual rates of return ranging from 11% to 91% between the years 1980 and 2009. However, the investigation found that the Matterhorn Fund did not exist until 2009. The

investigation also revealed that both men misrepresented their employment histories and educational backgrounds in communications with investors. These misrepresentations and others are believed to have been at the center of the pairs' efforts to exploit unsuspecting investors, ultimately luring many of them to place money in the fund. A review of the fund's bank and trading records revealed that in early 2010, when the Matterhorn Fund began to lose money, the defendants falsified the Matterhorn Funds' performance reports to show the fund had generated extraordinary gains. The defendants then used these false reports to solicit investment funds from additional victims and to create new hedge funds with the promise of similarly outlandish returns. Wilkins is scheduled to be sentenced in late November 2013. The National Futures Association had previously taken an emergency enforcement action against the Matterhorn Fund's parent company, Altamont Global Partners LLC, and its principal, John Wilkins, based on its determination that investor funds had been misappropriated.

New Issues

No new issues to report this week.