

GOVERNOR RICK SCOTT

ANNUAL AGENCY ACHIEVEMENT REPORT

OFFICE OF FINANCIAL REGULATION

2016

2016 ACHIEVEMENTS

1. Annual Statistics

Division of Securities

• Total Applications Received:	56,755
○ Broker Dealer Firms:	165
○ Investment Adviser Firms:	728
○ Branch Offices:	1,449
○ Agents/Associated Persons:	54,413

Division of Consumer Finance

• Total Applications Received:	17,610
○ Commercial Collection Agency:	22
○ Consumer Collection Agency:	225
○ Consumer Finance Company:	53
○ Home Improvement Retail Installment Seller:	42
○ Home Improvement Retail Installment Seller Branch:	0
○ Loan Originator (NMLS):	4,881
○ Money Transmitters Part II:	64
○ Money Transmitters Part II-DPP:	12
○ Money Transmitters Part II-Locations:	8,037
○ Money Transmitters Part III:	92
○ Money Transmitters Part III-DPP:	28
○ Money Transmitters Part III-Locations:	118
○ Mortgage Broker (NMLS):	244
○ Mortgage Broker Branch (NMLS):	49
○ Mortgage Lender (NMLS):	79
○ Mortgage Lender (NMLS) Servicer:	43
○ Mortgage Lender Branch (NMLS):	434
○ Mortgage Lender Branch (NMLS) Servicer:	672
○ Motor Vehicle Retail Installment Seller:	1,120
○ Motor Vehicle Retail Installment Seller Branch:	36
○ Retail Installment Seller:	378
○ Retail Installment Seller Branch:	808
○ Sales Finance Company:	129
○ Sales Finance Company Branch:	7
○ Title Loan Lender:	1

Division of Financial Institutions		
• Total Applications Received:		94
○ Backgrounds:		67
○ Branch:		3
○ Change of Control:		4
○ Conversion:		3
○ De Novo – International:		2
○ De Novo – Family Trust Company:		2
○ Merger:		9
○ Purchase and Assumption:		4
Bureau of Financial Investigations		
○ Investigations Opened:		144
○ Investigations Closed:		128

2. Communications and Outreach Activities

On January 7, 2016, a column by OFR Commissioner Drew J. Breakspear appeared in Context Florida.

[Context Florida: Drew Breakspear: Fighting Fraud and Serving Floridians in 2015](#)

On January 15, 2016, an opinion editorial by Commissioner Drew J. Breakspear appeared in the Orlando Sentinel.

[Crowdfunding helps state's start-up businesses grow](#)

On January 28, 2016, a member of the Division of Financial Institutions participated in a regulator panel discussion at the Florida Bankers Association Safety and Soundness Seminar in Miami.

On January 28, 2016, the Division of Securities Acting Director Alisa Goldberg represented the OFR in a regulatory panel at the Hillsborough County Bar Association Securities Law Section meeting in Tampa. Other panelists included representatives from the Financial Industry Regulatory Authority (FINRA) and the U.S. Securities and Exchange Commission (SEC). Panelists discussed hot topics and examination priorities, common deficiencies found during examinations, cybersecurity and coordination between the various regulatory agencies. Approximately 50 attorneys attended.

On January 29, 2016, a member of the Division of Financial Institutions participated in a regulator panel discussion at the Florida Bankers Association Safety and Soundness Seminar in Tampa.

On February 2, 2016, the OFR released a consumer alert on consumer protection from financial fraud.

[Consumer Alert: Protect Yourself Against Financial Fraud](#)

On February 11, 2016, the Division of Securities Bureau Chief Lee Kell participated in the U.S Securities and Exchange Commission (SEC) White Collar Crime Roundtable meeting at the SEC Regional Office in Miami. Approximately 50 people from the state of Florida, United States Federal Law Enforcement and regulatory agencies attended.

On February 16-19, 2016, the Division of Consumer Finance Director Greg Oaks (NMLS Policy Committee Member) & Bureau Chief Jason Booth (Mortgage Testing & Education Board Member) attended the 2016 National Mortgage Licensing System (NMLS) User's Conference in Phoenix, Arizona. Conference sessions included a variety of topics covering consumer lending, mortgage brokering and lending, consumer debt collection and federal mortgage lending guidelines. The conference was attended by 683 attendees, including state and federal regulators and industry participants.

On February 22, 2016, the OFR issued a press release celebrating America Saves Week.

[Press Release: The Office of Financial Regulation Celebrates America Saves Week](#)

On February 25, 2016, an opinion editorial by Commissioner Drew J. Breakspear appeared in the Pensacola News Journal.

[Viewpoint: Military Saves Week](#)

On February 29, 2016, a letter to the editor by OFR Commissioner Drew J. Breakspear appeared in the Tampa Bay Times.

[Tampa Bay Times: Sunday's Letters: Beware of Refund Fraud](#)

On March 4, 2016, the Division of Securities Acting Director Alisa Goldberg represented the OFR in a panel at the Florida Securities Dealers Association's Industry Outreach Program held in Lake Mary. The program's topic was a "Practical Guide to Dealing with Elderly and Vulnerable Investors." The presentation included scams that target seniors, issues elderly investors face, prevention of elderly abuse, protection of vulnerable adults, best practices for firms, and current and proposed legislation regarding protection of vulnerable adults from financial abuse in various states, as well as proposed federal legislation and the model rule adopted by the North American Securities Administrators Association (NASAA). Panelists included representatives from FINRA and the securities industry; the keynote speaker is active in an aging life care association. Approximately 40 people from the securities industry attended.

On March 7, 2016, the OFR issued a press release recognizing Consumer Protection Week.

[The Office of Financial Regulation Recognizes Consumer Protection Week](#)

On March 9, 2016, a member of the Division of Financial Institutions participated in a regulator panel at the Florida International Bankers Association Anti-Money Laundering Conference in Miami.

On March 14, 2016, the OFR issued a consumer alert regarding scams that may target senior citizens.

[Consumer Alert: Scams Targeting Senior Citizens](#)

On March 23, 2016, an opinion editorial by OFR Commissioner Drew J. Breakspear appeared in Context Florida.

[Context Florida: Good Credit is the Keystone of Financial Literacy](#)

On March 24, 2016, the OFR issued a press release announcing an arrest in an unlicensed check cashing scheme.

[Press Release: Palm Beach Man Arrested in Unlicensed Check Cashing Scheme](#)

On April 1, 2016, Jason Booth, Bureau Chief of Registration for the Division of Consumer Finance, was re-appointed for a two-year term on the Mortgage Testing & Education Board (MTEB). The MTEB is responsible for the oversight of mortgage loan originator required testing, pre-licensing, continuing education and related procedures. The MTEB acts in an advisory capacity regarding the policies and procedures by which the Nationwide Multistate Licensing System (NMLS) meets the S.A.F.E. Act testing and education requirements on a national level. In his first term on the MTEB, Jason was involved in investigating incidents where test taker or education rules may have been violated, implementing policies concerning test expiration, test score invalidations and revising Administrative Action Procedures for S.A.F.E. Testing and Education investigations.

On April 19, 2016, an opinion editorial by Commissioner Drew J. Breakspear appeared in the Pensacola News Journal.

[Viewpoint: Empower Our Youth](#)

On April 20-21, 2016, members of the Division of Financial Institutions Miami team visited with Florida International University to speak to a Commercial Bank Management Class and International Banking Class about the OFR and our role as regulators in the banking industry.

On April 25, 2016, the OFR released a consumer alert on five common financial myths.

[Consumer Alert: 5 Common Financial Myths](#)

On April 28, 2016, Lee Kell, Bureau Chief of Enforcement for the Division of Securities, participated in a panel discussion with the U.S. Securities and Exchange Commission and Financial Industry Regulatory Authority at the

Financial Planning Association of Greater Fort Lauderdale's monthly meeting. Approximately 50 securities industry members attended.

On May 5-6, 2016, two members of the OFR attended the Conference of State Bank Supervisors District III meeting in Nashville, Tennessee.

On May 18, 2016, a member of the Division of Financial Institutions participated as a panelist at the South Florida Banking Institute Regulatory Meeting in Coral Gables.

On May 24, 2016, the OFR issued a consumer alert regarding reducing financial fraud risk.

[Consumer Alert: 5 Action Steps to Reduce Your Financial Fraud Risk](#)

On May 26, 2016, members of the Division of Financial Institutions participated in the Regulator Interagency Meeting at the Federal Reserve Bank of Atlanta in their Miami branch office.

On June 2, 2016, the OFR issued a press release on a disaster preparedness checklist.

[Florida Office of Financial Regulation Highlights Disaster Preparation Financial Checklist](#)

On June 6, 2016, a member of the Division of Financial Institutions participated in the regulator panel at the Florida Bankers Association annual meeting held in Miami Lakes.

On June 10, 2016, Commissioner Drew J. Breakspear was interviewed by the South Florida Business Journal regarding trends in the financial services industry.

[South Florida Business Journal: Exclusive: Florida's top financial regulator breaks down 3 industry trends](#)

On June 15, 2016, the OFR issued a press release recognizing World Elder Abuse Awareness day.

[Florida Office of Financial Regulation Recognizes World Elder Abuse Awareness Day](#)

On June 15-16, 2016, the Division of Securities, in conjunction with the North American Securities Administrators Association, held the 2016 Annual Broker Dealer Training Program in Fort Lauderdale. Commissioner Drew J. Breakspear presented opening remarks and welcomed the attendees to Florida. The program was attended by more than 190 state examiners, investigators, attorneys and speakers from across the country and Canada. The group workshops focused on working with seniors, effective examinations and financial analysis.

On June 17, 2016, Commissioner Drew J. Breakspear was interviewed by the Business Observer regarding state-chartered banks in Florida.

[Business Observer: It's a small world](#)

On June 26, 2016, an opinion editorial by Commissioner Drew J. Breakspear appeared in the Miami Herald.

[In Case You Missed It: Miami Herald: Floridians: Be alert to financial scammers](#)

On June 27, 2016, an opinion editorial by Commissioner Drew J. Breakspear appeared in the Tallahassee Democrat.

[In Case You Missed It: Tallahassee Democrat: Decrease your financial fraud risk with simple steps](#)

On June 27, 2016, the OFR issued a consumer alert on vacation scams.

[Consumer Alert: Vacation Scams](#)

On June 29, 2016, a member of the Division of Financial Institutions participated on a Florida International Bankers Association (FIBA) regulatory round table panel regarding funding, liquidity and interest rate risk management.

On July 13, 2016, the OFR issued a press release announcing a new state-chartered financial institution.

[Press Release: Sunshine Savings Bank Changes Name, Becomes State-Chartered Institution](#)

On July 13, 2016, the OFR issued a press release announcing the OFR's participation in financial fraud protection seminars.

[Press Release: Florida Office of Financial Regulation Participates in Financial Fraud Protection Seminars](#)

On July 15, 2016, the OFR issued a press release announcing the arrest of a husband and wife duo for their role in an alleged fake investment scam.

[Press Release: Husband and Wife Duo Arrested for Role in Alleged Fake Investment Scam](#)

On July 18, 2016, the OFR issued a consumer alert regarding the unauthorized use of the OFR's information and brand.

[Consumer Alert: Unauthorized Use of Agency Information and Brand](#)

On July 18, 2016, OFR Bureau of Financial Investigations Steve Horn conducted an on-camera interview regarding a real estate scam.

[WKMG: Bureau of Financial Investigations Chief Horn: Real Estate Scam](#)

On July 21, 2016, a member of the Division of Financial Institutions participated in a Florida International Bankers Association NextGEN Committee regulatory

round table panel which focused on enterprise risk management and internal audit risk assessment.

On July 25, 2016, OFR Director of Communications & Governmental Relations Jamie Mongiovi conducted an on-camera interview regarding a scam using the OFR brand.

[WKMG: Consumer Alert: State notices threaten fines, jail](#)

On July 26, 2016, the OFR issued a press release applauding the sentencing of a Sarasota man for his role in an investment scam.

[Press Release: Sarasota Man Sentenced for Role in Faked Investment Scam](#)

On August 16, 2016, the OFR issued a consumer alert regarding identity theft.

[Consumer Alert: Identity Theft](#)

On August 19, 2016, the OFR issued a consumer alert regarding the unauthorized use of the OFR's information and brand.

[Consumer Alert: Unauthorized Use of Agency Branding](#)

On August 25, 2016, Division of Securities Registration Bureau Chief Alisa Goldberg spoke at the 2016 Florida Trust Investment Seminar, in Celebration. The event was hosted by the Florida Local Government Trust. Bureau Chief Goldberg provided an overview of the Division of Securities, entities regulated by the division and registration requirements. More than 80 elected officials and local government decision makers attended the event.

On September 6, 2016, the OFR issued a press release announcing that financial services business are open following Hurricane Hermine.

[Press Release: Florida State-Chartered Financial Institutions Open for Business Tuesday](#)

On September 8, 2016, two members of the Division of Financial Institutions attended the FBA Annual meeting in Sarasota. Additionally, one of the members participated on the regulator panel.

On September 13, 2016, the OFR issued a consumer alert on managing finances after the death of a loved one.

[Consumer Alert: Managing Finances After the Death of a Loved One](#)

September 20-22, 2016, agency managers and supervisors attended the OFR Statewide Manager Training program in Tallahassee. The three-day training program focused on leadership values, emergency operations, travel procedures, human resource management and information security.

On October 24, 2016, two members of the Division of Financial Institutions represented the OFR at the interagency meeting hosted by the FDIC in Atlanta, Georgia.

On October 27, 2016, a member of the Division of Financial Institutions represented the OFR at the South Florida interagency meeting hosted by the FRB Atlanta Miami Branch in Miami.

On October 31, 2016, the OFR issued a press release regarding the adoption of the Uniform State Test for mortgage loan originators.

[Press Release: Office of Financial Regulation Adopts Uniform State Test for Mortgage Loan Originators](#)

On November 1, 2016, the OFR issued a press release regarding the sentencing of Abraham Gutterman for his role in a fraudulent precious metals and stock offering scheme.

[Press Release: Duo to Serve Time for South Florida Investment Scam](#)

On November 18, 2016, a member of the Division of Securities participated in a regulatory panel discussion with the North American Securities Administrators Association (NASAA), and Financial Industry Regulatory Authority (FINRA) at the Securities Industry and Financial Markets Association (SIFMA) Compliance & Legal Society meeting in St. Petersburg. The panel discussed exam and enforcement priorities and how firms can cultivate good/better/best relationships with primary regulators. Approximately 75 securities industry members attended.

On November 29, 2016, Deputy Commissioner Pam Epting participated in a panel discussion with Financial Industry Regulatory Authority (FINRA) at the Florida Securities Dealers Association (FSDA) Industry Outreach Program in Boca Raton. The panel discussed senior & vulnerable investors – dealing with fraud & exploitation. Approximately 120 securities industry members.

On December 8-9, 2016, a member of the Division of Securities and a member of the Bureau of Financial Investigations attended the U.S. Securities and Exchange Commission (SEC) 2016 Southeastern Securities Conference for Regulators, Investigators, and Prosecutors held in Atlanta, GA. The training program focused on recent legal developments, examination risk assessment, coordination with federal and state regulators and enforcement techniques. More than 150 attendees from the southeastern states participated in the training program.

On December 6, 2016, the OFR issued a consumer alert on baby proofing your finances.

[Consumer Alert: How to Baby Proof Your Finances](#)

On December 28, 2016, the OFR issued a press release on the arrest of a Tampa area family and pastor for financial fraud.

[Press Release: Tampa Area Family and Pastor Arrested for Multiple Charges of Financial Fraud](#)

3. Substantial Regulatory Actions

Family Trust Company Application Received

On December 30, 2015, the OFR received the first application for a Family Trust Company to become registered.

Permanent Bar and \$75,000 Fine Against an Unregistered Broker Dealer for Fraud

On December 30, 2015, the Division of Securities entered a final order against Synergy Oil, LLC permanently barring the firm from registration with the OFR, after the firm failed to request a hearing. The final order follows an administrative complaint, which alleged Synergy Oil, LLC offered and sold unregistered securities, engaged in securities business in Florida without being registered and to have obtained money by means of fraud. A \$75,000 administrative fine was assessed.

Final Order for \$50,555.39 Fine Against a Broker Dealer Firm

On December 30, 2015, the Division of Securities, in conjunction with a multi-state settlement, entered a final order against LPL Financial, LLC for failing to implement, maintain and enforce an adequate supervisory system regarding the sale, through Florida representatives, of non-traded REITs. In accordance with the terms of the settlement, LPL Financial, LLC agrees to offer to remediate losses for non-traded REITs sold by the firm to Florida residents, to create a team to assist Florida investors with the remediation process and to pay an administrative fine of \$50,555.39 to the state of Florida.

Permanent Bar and \$25,000 Fine Against an Unregistered Associated Person for Fraud

On December 31, 2015, the Division of Securities entered a final order against Alan Goda, permanently barring Mr. Goda from registration with the OFR, after he failed to request a hearing. The final order follows an administrative complaint, which alleged Alan Goda offered and sold unregistered securities, engaged in securities business in Florida without being registered and to have obtained money by means of fraud. A \$25,000 administrative fine was assessed.

Permanent Bar and \$55,000 Fine Against an Unregistered Associated Person for Fraud

On December 31, 2015, the Division of Securities entered a final order against Tony Benjamin Pistilli, permanently barring Mr. Pistilli from registration with the OFR, after he failed to request a hearing. The final order follows an administrative complaint, which alleged Tony Benjamin Pistilli offered and sold unregistered securities, engaged in securities business in Florida without being registered and to have obtained money by means of fraud. A \$55,000 administrative fine was assessed.

Revocation and Permanent Bar Against a Broker Dealer for FINRA Sanctions

On January 14, 2016, the Division of Securities entered a final order against

Halcyon Cabot Partners, LTD, revoking the firm's registration as a broker and dealer and permanently barring the firm from registration with the OFR, after the firm failed to request a hearing. The final order follows an administrative complaint, which alleged Halcyon Cabot Partners, LTD, was expelled by FINRA, a national securities association.

Permanent Bar Against an Unregistered Associated Person for Fraud

On January 14, 2016, the Division of Securities entered a final order against Glen Marshall Wingate for offering to purchase securities without being registered and obtaining money by means of fraud. Mr. Wingate is permanently barred from affiliating or 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 and \$27,500 Fine Against an Associated Person

On January 29, 2016, the Division of Securities entered a final order against Valentino Infante permanently barring him from registration with the OFR, after he failed to request a hearing. The final order follows an administrative complaint, which alleged Valentino Infante failed to observe standards of commercial honor and principles of trade by engaging in private securities transaction and outside business activities without providing prior written notice to his employing broker dealer firm. A \$27,500 administrative fine was assessed.

Final Order for \$50,000 Fine Against a Broker Dealer Firm for Prohibited Business Practices

On February 25, 2016, the Division of Securities entered a final order against Voya Financial Advisors, Inc., for engaging in prohibited business practices by failing to enforce its written supervisory procedures in the supervision of variable annuity purchases. A \$50,000 administrative fine was paid.

Permanent Bar and \$25,000 Fine Against Unregistered Associated Person for Unregistered Activity and Fraud

On March 11, 2016, the Division of Securities entered a final order against Jason Foxe permanently barring him from submitting an application or notification for a license or registration with the OFR, after he failed to request a hearing. The final order follows an administrative complaint, which alleged Mr. Foxe offered and sold unregistered securities, engaged in securities business in Florida without being registered and obtained money by means of fraud. A \$25,000 administrative fine was assessed.

Permanent Bar and \$25,000 Fine Against Unregistered Associated Person for Unregistered Activity and Fraud

On March 11, 2016, the Division of Securities entered a final order against E. Daryl Magette permanently barring him from submitting an application or notification for a license or registration with the OFR, after he failed to request a hearing. The final order follows an administrative complaint, which alleged Mr.

Magette offered and sold unregistered securities, engaged in securities business in Florida without being registered and obtained money by means of fraud. A \$25,000 administrative fine was assessed.

Permanent Bar and \$100,000 Fine Against Unregistered Firm and Associated Person for Fraud

On March 25, 2016, the Division of Securities entered a final order against Capital Asset Management Partners Inc., and Allen Mark Kneller, permanently barring them from affiliating or seeking future registration as a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, F.S. Capital Asset Management Partners Inc., and Allen Mark Kneller were found to have offered and sold unregistered securities, engaged in securities business in Florida without being registered and to have obtained money by means of fraud. A \$100,000 administrative fine was assessed.

From January 1 to March 30, 2016, the Division of Consumer Finance entered 91 final orders with a total of \$954,870.00 in fines, barred 16 respondents from the industry and had six license revocations.

Revocation of a Broker Dealer Branch Office and \$10,000 Fine

On May 19, 2016, the Division of Securities entered a final order against Caldwell International Securities, Corp., revoking the firm's Jacksonville branch office notice filing, after the firm failed to request a hearing. The final order follows an administrative complaint, which alleged Caldwell International Securities, Corp., failed to provide the OFR with all of the information required within 30 days after a written request. A \$10,000 administrative fine was assessed.

From April 1 to June 30, 2016, the Division of Consumer Finance entered 66 final orders with a total of \$726,566.25 in fines, barred 19 respondents from the industry and had six license revocations.

Suspension of Investment Adviser and Associated Person Registration

On July 5, 2016, the Division of Securities entered a final order against Morgan Financial Advisors, Inc., and David John Ellrich suspending their investment adviser registration after the firm failed to request a hearing. The final order follows an administrative complaint, which alleged Morgan Financial Advisors, Inc., and David John Ellrich failed to pay \$4,500 of the \$9,000 administrative fine, as required in a final order issued by the Division of Securities on December 23, 2015.

Permanent Bar and \$150,000 Fine Against Unregistered Firm and Associated Person for Fraud

On July 5, 2016, the Division of Securities entered a final order against Greenstar Financials, Inc., and Albert Hayat, permanently barring them from affiliating or seeking future registration as a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, Florida

Statutes. The firm and Hayat were found to have facilitated in the sales of unregistered securities, engaged in securities business in Florida without being registered and obtained money by means of fraud. A \$150,000 administrative fine was assessed.

One-Year Bar Against an Associated Person for Prohibited Business Practices

On July 28, 2016, the Division of Securities entered a final order against Jack Edward Duncan for engaging in prohibited business practices by submitting false client financial information to his employing broker dealer firm. Pursuant to the final order Jack Edward Duncan is barred for one year from affiliating or seeking future registration as a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, Florida Statutes.

Permanent Bar and \$25,000 Fine Against Unregistered Associated Person for Fraud

On August 4, 2016, the Division of Securities entered a final order against James Steven Neale, permanently barring him from applying for registration as a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, F.S., after he failed to request a hearing. The final order follows an administrative complaint, which alleged that Mr. Neale offered and sold unregistered securities, engaged in securities business in Florida without being registered and obtained money by means of fraud. A \$25,000 administrative fine was assessed.

Permanent Bar and \$55,000 Fine Against Unregistered Associated Person for Fraud

On August 4, 2016, the Division of Securities entered a final order against Robert Anthony Falco, permanently barring him from applying for registration as a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, F.S., after he failed to request a hearing. The final order follows an administrative complaint, which alleged that Mr. Falco offered and sold unregistered securities, engaged in securities business in Florida without being registered and obtained money by means of fraud. A \$55,000 administrative fine was assessed.

Final Order for \$52,500 in Total Fines Against a Broker Dealer Firm and Two Associated Persons for Violation of Rules

On August 12, 2016, the Division of Securities entered a final order against GWN Securities, Inc., Christine Chew and Daniel L. Rey (f/k/a Daniel R. Lopez) for violation of rules. GWN Securities, Inc., failed to provide Ms. Chew a copy of her originally signed registered representative agreement, provide principal approval of Mr. Rey's advertising materials and timely provide and require the Securities Investor Protection Corporation (SIPC) signage for a branch office. Christine Chew used unapproved business cards, which contained a false "CPA" professional designation. Daniel L. Rey failed to disclose to GWN Securities, Inc., his outside business activity, maintain his Form U-4 and use approved

advertising and communication materials. Additionally, Mr. Rey used an unrecognized "Wealth Manager" designation on his website and business cards. A total of \$52,500 in administrative fines was paid.

Denial of Associated Person Applications

On September 21, 2016, the Division of Securities entered a final order against Michael James Terry denying his applications for registration as an associated person for violations of the Florida Investor Protection Act. Michael James Terry made unsuitable investment recommendations and misrepresented information involving the purchase of a variable annuity. In addition, Michael James Terry did not maintain his form U-4 by failing to disclose compromises with creditors within 30 days of the occurrence. Pursuant to the final order Michael James Terry may not submit a new application for registration for one year; and should Mr. Terry apply for registration with the Division of Securities, his registration shall be subject to restrictions.

From July 1 to September 30, 2016, the Division of Consumer Finance entered 69 final orders with a total of \$519,250.00 in fines, barred 21 respondents from the industry and had four license revocations.

Permanent Bar and \$5,000 Fine Against Investment Adviser Firm for Violations of Florida Statutes and Rules

On October 6, 2016, the Division of Securities entered a final order against Sine Capital, Inc., permanently barring the firm from applying for registration as a dealer or investment adviser under the Florida Securities and Investor Protection Act, Chapter 517, F.S., after the firm failed to request a hearing. The final order follows an administrative complaint, which alleged that Sine Capital, Inc., failed to produce books and records pursuant to the division's written request. A \$5,000 administrative fine was assessed.

Permanent Bar and \$46,500 Fine Against Investment Adviser Firm and Associated Person for Fraud

On October 6, 2016, the Division of Securities entered a final order against Carhart Capital Management, LLC and Owen Thomas Carhart permanently barring the firm and Mr. Carhart from applying for registration as a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, F.S., after the they failed to request a hearing. The final order follows an administrative complaint, which alleged that Carhart Capital Management, LLC and Owen Thomas Carhart failed to maintain an accurate Form ADV, file audited financial statements, maintain required net capital, timely notify the OFR of the firm's net capital deficiency and comply with the safekeeping and custody requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. In addition, the administrative complaint alleged that Carhart Capital Management, LLC and Owen Thomas Carhart engaging in fraudulent transactions by overcharging one or more clients excessive advisory fees. A \$46,500 administrative fine was assessed.

Permanent Bar and \$50,000 Fine Against an Unregistered Associated Person

On December 22, 2016, the Division of Securities entered a final order against Alfonso J. Palladino, permanently barring him from affiliating or seeking future registration as a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, F.S. Mr. Palladino was found to have offered and sold unregistered securities and engaged in securities business in Florida without being registered. A \$50,000 administrative fine was assessed.

Permanent Bar and \$100,000 Fine Against an Unregistered Associated Person

On December 23, 2016, the Division of Securities entered a final order against James M. Palladino, permanently barring him from affiliating or seeking future registration as a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, F.S. Mr. Palladino was found to have offered and sold unregistered securities and engaged in securities business in Florida without being registered. A \$100,000 administrative fine was assessed.

Permanent Bar Against an Unregistered Associated Person

On December 23, 2016, the Division of Securities entered a final order against Nick C. Arroyo, permanently barring him from affiliating or seeking future registration as a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, F.S. Mr. Arroyo was found to have offered and sold unregistered securities and engaged in securities business in Florida without being registered.

From October 1 to December 31, 2016, the Division of Consumer Finance entered 61 final orders with a total of \$1,086,188.00 in fines, barred 14 respondents from the industry and had seven license revocations.

Fines Totaling \$321,917.50 for Unregistered Activity

From January 1 to December 27, 2016, the Division of Securities fined eighteen associated persons and three firms for engaging in unregistered investment advisory or securities activities in the state of Florida. A total of \$321,917.50 in administrative fines were assessed.

Denial of One Firm and Twelve Associated Person Applications

From January 1 to December 27, 2016, the Division of Securities denied one investment adviser firm application and fourteen associated person applications for registration. The notices of intent to deny, in each case, alleged that the associated person made a material misrepresentation or misstatement on their application for registration.

4. Significant Enforcement Actions

Convicted Ponzi Schemer Sentenced to More Than 17 Years in Prison

On January 22, 2016, Joseph Paul Zada of Wellington, was sentenced to 210 months in federal prison to be followed by three years' supervised release for his role in orchestrating and perpetuating a Ponzi scheme that operated for more than 10 years before being discovered in 2009. Zada, who at the peak of his fraud maintained lavish residences in Grosse Pointe Shores, Mich., and in Wellington, was actually a low wage horse trainer when he contrived and initiated the scheme. Using a façade of wealth, he preyed on the wealthy, including a six-time equestrian Olympic medalist. Zada purportedly told his victims that he was an expert in oil futures, that he sat on the board of directors of a major oil company, that he was an heir to a Saudi oil sheik and was the financial manager for a Russian ice hockey player. The joint FBI/IRS/OFR investigation determined that from 1998 through 2009, Zada sold more than \$50 million in promissory notes that purported to pay annual rates of return between 7 and 12 percent. The investors were led to believe Zada would use their money to invest in oil ventures. An analysis of bank records revealed, however, that instead of using the investors' money to invest in oil ventures, Zada used the money to support his extravagant lifestyle and to pay returns to earlier investors. The prison sentence resulted from a six-week jury trial in September 2015, in which Zada was found guilty of 15 counts of mail fraud.

Jacksonville Duo Sentenced to Combined 70 Month Prison Terms for Roles in Ponzi Scheme

On February 1, 2016, defendants Chawalit Wongkhiao and Joshua Carrol Gilliland were sentenced in U.S. District Court in Jacksonville to serve 55 and 15 month prison terms, respectively, for their roles in a foreign currency trading scam which operated from March 2012 until July 2014. Both men were previously convicted of conspiracy to commit wire fraud in relation to the scam. The duo were indicted in March 2015, based on an OFR investigation developed in cooperation with the FBI, IRS Criminal Investigation, Jacksonville Beach Police Department and U.S. Commodity Futures Trading Commission. In addition to the prison sentences, both men were sentenced to three years of probation and ordered to pay \$1.2 million in restitution to victims. Wongkhiao and Gilliland, while doing business as Allied Markets, LLC solicited money from at least four investors for purported investments in foreign currency exchange (Forex) transactions. Based on promises of guaranteed returns of between 7 and 10 percent annually, investors purchased more than \$1 million in investment contracts from the men. According to those investors, Gilliland and Wongkhiao represented that investment returns would come from profits generated through foreign currency trading. The investigation revealed, however, that the two men only invested about one-fifth of investors' funds in Forex transactions. A large portion of the funds was instead used for personal expenses or withdrawn by the men in the form of cash. The two also used funds acquired from more recent investors to pay returns to earlier investors in typical Ponzi fashion. The U.S. Attorney's Office in Jacksonville prosecuted the case. A separate OFR final order was entered against Gilliland, Wongkhiao and Allied Markets, LLC on April 20, 2015, for violations of Chapter 517, F.S. Each of the respondents was ordered to

pay \$100,000 in fines and permanently barred from making application for licensure under Chapter 517, F.S.

Wellington Man Arrested in Alleged \$270,000 Investment Fraud

On February 12, 2016, Henry Paul Regan of Wellington, was arrested on charges of organized fraud, securities fraud and grand theft in connection with an elaborate investment fraud scheme, involving the alleged sale of fraudulent promissory notes to at least four investors through a company called Millennium Absolute Return Fund, LP (Millennium). The OFR's investigation revealed that this alleged fraud scheme operated between January 2013 and December 2013, causing investor losses of approximately \$270,000. As part of the alleged scheme, Regan maintained a virtual office on Brickell Avenue (in Miami's financial district), from which he is believed to have solicited investors through correspondence containing material misrepresentations. Investors in Millennium were led to believe that their investments were safe because the company invested in "asset-based lending companies" that secured loans through collateralizing borrower assets. Investors were falsely promised 15 percent annual returns on their investments which they were assured were secured by a Bank of America bond in the amount of \$5 million dollars. Investors were also provided quarterly performance letters that grossly misrepresented the company's financial condition, inflating the amount of interest that the company purportedly generated from its investments. Contrary to these representations, the investigation revealed that Millennium never used investors' funds to invest in any asset-based lending companies and the purported Bank of America Bond was non-existent. Investor funds were instead used for the benefit of Regan who allegedly paid himself commissions with the money or used it for personal or unrelated business expenses. Neither the promissory notes nor Regan himself were registered with the OFR pursuant to Chapter 517, F.S. In a 2004 enforcement action, FINRA barred Regan from acting as a broker or otherwise associating with firms that sell securities to the public, a fact which was not disclosed to investors in Millennium. Detectives with the DFS Division of Insurance Fraud provided assistance with Regan's arrest in Palm Beach County. This investigation was developed solely by the OFR.

Pinellas Man Sentenced to Two Years in Prison for Role in Oil Investment Swindle

On February 16, 2016, Edward Bahl of Safety Harbor, pled guilty to one count of organized fraud related to the operation of his company, Global Petroleum Resources, LLC (GPR). Bahl was sentenced to two years in prison to be followed by 15 years of probation. He was also ordered to pay \$107,500 in restitution to victims and to permanently abstain from working anywhere in the investment or petroleum industries. Bahl's conviction follows his April 21, 2015, arrest on charges of organized fraud and grand theft. The OFR investigation found that from July 2011 through June 2014, Bahl, as President and Chief Executive Officer of GPR, defrauded four investors out of approximately \$108,000. Bahl issued agreements to investors titled "Loan Agreement and Promissory Note" to fund the acquisition of a purported oil blending facility. Bahl promised investors

that they would receive the return of their principal plus interest at a rate of 25-50 percent within 60 to 90 days. Bahl also represented that GPR would enter into a “royalty fee agreement” with investors, paying them \$0.10 a barrel for up to 250,000 barrels of GPR’s monthly oil production. Among other misrepresentations made to investors, the OFR’s investigation uncovered fraudulent press releases touting successful oil deals, Facebook pages announcing new GPR offices in the Bahamas and a trip to South Africa that resulted in a 10-year multi-million dollar oil and gas production contract. Contrary to these representations, the OFR’s investigation found no evidence that Bahl traveled to these countries during the time that GPR was alleged to have been in operation. Moreover, a review of GPR’s bank records did not reveal any transactions indicative of business revenue. Instead, the bank records revealed that investors’ proceeds were appropriated by Bahl and used for his personal living expenses including rent, travel, dining and lodging. To date, investors have received no return on their investments. This investigation was developed solely by the OFR. The case was prosecuted by the Office of Statewide Prosecution in Tampa.

Sixth Defendant Arrested in Alleged \$1.2 Million Precious Metals Scam

On February 17, 2016, Robert S. Leier was arrested by the Margate Police Department on an outstanding warrant issued for his involvement in an alleged fraudulent precious metals investment scheme. Leier controlled Bowman & Poole, Inc., a purported precious metals firm believed to be involved in a \$1.2 million fraudulent investment and money laundering scheme. Investigative findings to date show that the scheme has victimized at least 17 people from around the country, causing them to lose their retirement savings. In addition to Leier, five other defendants involved in the scheme are facing similar charges filed by the Office of Statewide Prosecution. Charges against the defendants include racketeering, conspiracy to commit racketeering, grand theft, fraudulent securities transactions, money laundering and unlicensed telemarketing. If convicted, they face substantial prison time, fines and restitution. In October 2014, three defendants were arrested in Florida and two defendants were arrested in South Carolina. Leier had remained the lone fugitive until his arrest. The six defendants allegedly operated several shell companies to broker the buying and selling of precious metals as an investment option when, in reality, less than one percent of the money sent by victims to the defendants was used for these types of investments. The defendants are alleged to have assured their victims (the majority of whom were senior citizens) that the investments would turn a quick profit. The six defendants opened more than 30 bank accounts to which victims mailed checks or wired funds. The company shell names used by the defendants were Bowman & Poole, Inc., Cavallo Consulting Group, Inc., DMR & BMR Corp., DRBR Financial, Inc., JD&A Investment Services, Inc., JDC United Metals, Corp., Project Insider Development Investments, LLC and Project Insider, Inc. This investigation is being developed by the OFR in collaboration with the FDLE. The Office of the Statewide Prosecution in Broward County is prosecuting the case.

Sarasota Man Convicted in Precious Gems from Pet Remains Investment Fraud Scheme

On February 24, 2016, Russell F. Haraburda of Sarasota, pled guilty to a charge of organized fraud in connection with the sale of fraudulent “pre-initial public offering shares” of his company, Enviratrends. Haraburda claimed that Enviratrends possessed technology that could turn the cremated ashes of pets into precious gemstones and assured investors that their funds would be used to pay expenses associated with taking the company public. Based on these representations, Haraburda was able to raise more than \$3 million from over 150 investors within and outside of Florida. Contrary to those representations, however, the OFR’s investigation revealed that Haraburda used a majority of investors’ funds to support his lavish personal lifestyle and not towards IPO expenses. The investigation found that more than \$1.7 million of investor money was used by Haraburda for such things as an addition to a personal property, the purchase of motorcycles and pleasure travel. Previously, on August 17, 2015, the Securities and Exchange Commission filed a civil injunctive action in the Middle District of Florida against Haraburda and EnviraTrends. The action included a final judgment providing permanent injunctive relief, barring Haraburda from being associated with any offering of penny stocks and disgorgement of ill-gotten gains. The final judgment also ordered Haraburda and EnviraTrends to jointly pay more than \$2.3 million in disgorgement and prejudgment interest. The Florida Department of Law Enforcement (FDLE) assisted the OFR in the execution of a search warrant on the company in January 2015. This case was prosecuted by the Office of Statewide Prosecution.

Defendant Sentenced for Operating a Boiler Room in Broward County

On February 25, 2016, Manuel Frade pled guilty to one count of scheme to defraud and one count of securities fraud (Chapter 517.301, F.S.). On the same date, Frade was adjudicated guilty and sentenced to two years of prison to be followed by 10 years of probation. Frade was also ordered to pay \$438,334 in restitution, \$100,000 of which was paid immediately. Frade along with another co-defendant, Angel Quinones, operated a boiler room that was used to solicit individuals into investing in precious metals. After the solicitations, which were done through Integrated Market Capital Investments (d.b.a. Midas Asset Exchange), investors typically received account statements that showed the alleged purchase of the precious metals. Investors claimed that Frade and Quinones led them to believe that the metals listed on the account statements would be stored for them in a vault or other safe place until such time as they desired to sell. The OFR investigation revealed that only a small portion of the more than \$2 million invested was used to trade possessory rights to precious metal inventory, and none of money invested was used to purchase or store the physical metals. Instead, the majority of the money obtained from investors was used to pay business expenses and for the personal benefit of Frade and Quinones. This case was prosecuted by the Broward County State Attorney’s Office.

Internet Auto Loan Broker Convicted in Advance Fee for Loan Fraud

On March 10, 2016, Ivan Levy, CEO of Regency Financial Services, LLC pleaded guilty to nine counts of collecting unlawful advance fees as a loan broker. Following the entry of the plea, Levy was sentenced to serve 120 days in jail to be followed by five years on probation. He was ordered to pay more than \$76,000 in criminal restitution with \$3,685 to be paid up front. Levy was arrested on March 30, 2015, and charged with collecting advance fees from victims who sought his services as a loan broker in order to avoid having their vehicles repossessed. Victims sought to renegotiate or refinance their auto loans through Levy's websites, "credit-yogi.com" and "carpaymenthelpcenter.com." Levy preyed on victims by claiming he was an auto loan broker, falsely offering guaranteed auto refinancing in exchange for an advance fee of \$499 payable in cash via bank deposits into his account. Victims were told to use Levy's corporate name on the deposits, making it difficult to determine who and how many victims gave cash to Levy. Once the payments were received, Levy would end all communication with his victims. No victim is known to have obtained financing or a refund of their advance fee payments. As part of the court's order, Levy will repay nine victims identified by the OFR who had their vehicles repossessed as a direct result of his scam. Levy's plea agreement also bars him from violating a Federal Trade Commission (FTC) injunction filed against him in January 2015. That injunction permanently bans Levy from any telemarketing activity or from engaging in the offer or sale of any financial product or service. Levy agreed to a judgment of \$330,000 in the FTC's case, an amount believed to comprise the total dollar loss to victims resulting from his scheme. Levy conducted business from his home in Boynton Beach for the past three years and was not licensed as a consumer finance company, lender or retail installment sales contract provider. Levy will begin serving his jail sentence on March 21, 2016.

Defendant Sentenced to 6.5 Years in Prison for Role in \$8 Million Ponzi Scheme

On March 14, 2016, Dorian A. Garcia was sentenced to serve 78 months in prison to be followed by 36 months of probation for his role in orchestrating a Ponzi scheme that victimized more than 100 investors, resulting in more than \$8 million in losses. The sentence follows Garcia's conviction on a wire fraud charge to which he pled guilty in July 2015. Between February 2009 and April 2015, Garcia solicited and received at least \$8.5 million from approximately 111 victim investors throughout the United States. Of that amount, \$3.9 million was returned to investors through Ponzi-style payments. Garcia, through a number of companies that he controlled, including DG Wealth Management, persuaded individuals to invest with him based on misrepresentations that he would place their funds in an investment pool and would guarantee their investment in addition to a specific rate of return. To lure investors into believing that their investments were secure, Garcia provided them with fake bank statements that reflected large balances. The true account balances were a fraction of the amounts claimed and were insufficient to back his purported guarantees. Funds not used in making Ponzi payments to investors were spent on personal and business expenses including artwork, rent, luxury car payments, domestic help

(including a personal chef), jewelry and dinner parties. In addition to the prison sentence, Garcia was also ordered to forfeit \$3.1 million along with various pieces of artwork obtained through the proceeds of his fraudulent scheme. An evidentiary hearing regarding restitution is set for May 16, 2016. On April 14th, 2015, Garcia was named as a respondent in a civil fraud complaint brought by the CFTC with assistance from the OFR. A final judgment in that case is still pending. The OFR Bureau of Financial Investigations partnered with the FBI in bringing the criminal complaint which led to the criminal enforcement action in this case.

Convicted Ponzi Schemer Sentenced to 20-Year Prison Term for Role in \$80 Million Scam

On March 14, 2016, defendant Joseph Signore was sentenced to serve 240 months in federal prison and ordered to pay \$31 million in restitution for his role in an elaborate Ponzi scheme that bilked investors out of approximately \$80 million. The scheme centered on the sale of “virtual concierge machines” (VCMs), devices which Signore claimed would be installed in sports stadiums and hotels to provide users with information as well as discount coupons and access to services such as restaurant food delivery. The VCMs were offered to investors for \$2,500 to \$3,500 each and were supposed to be strategically placed in areas with significant pedestrian traffic. Working through JCS Enterprises, Inc., of Jupiter and an associated company named TBTI, Inc., Signore along with his ex-wife Laura Grande-Signore and his business associate Paul Schumack, sold the equivalent of 22,547 VCM kiosks to investors around the country. As part of the sales pitch, investors were guaranteed \$300 a month in returns for at least 36 months from advertising revenues alone. Despite these representations and the large quantity of VCMs sold, only 182 VCMs were ever manufactured and only 84 ever made it into operation. Advertising revenues from the VCMs that went into operation amounted to less than \$22,000 over the course of two years and only a fraction of the money raised from investors was used to purchase components to manufacture the VCMs. Instead, the vast majority of investors’ funds was used by the defendants to pay for personal living expenses or to make Ponzi style payments to early investors. Signore alone, was responsible for raising \$10 million from 307 investors, 128 of whom resided in Florida. On December 7, 2015, following a six-week federal trial, Signore and his co-defendants were each found guilty of various charges to include money-laundering, wire fraud and mail fraud. In May 2015, another defendant in the case, Craig Hipp, Vice President of Manufacturing for JCS, was sentenced to seven years in prison for his role in the fraud. Laura Grande-Signore is scheduled to be sentenced on March 16, 2016. Defendant Paul Schumack is scheduled to be sentenced on March 17, 2016. This case was developed in cooperation with the SEC and the FBI. It was prosecuted by the United States Attorney’s Office in West Palm Beach.

Four Defendants Sentenced in \$80 Million Investment Scam

On March 17, 2016, defendant Paul Schumack was sentenced to serve 12 years

in federal prison and ordered to pay \$31 million in restitution for his role in an elaborate Ponzi scheme that bilked investors out of approximately \$80 million. The scheme centered on the sale of “virtual concierge machines” (VCMs), devices that Schumack and co-defendants Joseph Signore, Laura Grande-Signore and Craig Hipp claimed would be installed in sports stadiums and hotels to provide users information, as well as discount coupons and access to services, such as restaurant food delivery. The VCMs were offered to investors for \$2,500-\$3,500 each and were supposed to be strategically placed in areas with significant pedestrian traffic. Working through JCS Enterprises, Inc., of Jupiter and an associated company named TBTI, Inc., the four defendants sold the equivalent of 22,547 VCM kiosks to investors around the country. As part of the sales pitch, investors were guaranteed \$300 per month in returns for at least 36 months from advertising revenues alone. Despite these representations and the large quantity of VCMs sold, only 182 VCMs were ever manufactured and only 84 ever made it to operation. Advertising revenues from the VCMs in operation amounted to less than \$22,000 over the course of two years and only a fraction of the money raised from investors was used to purchase components to manufacture the VCMs. Instead, the vast majority of investors’ funds were used by the defendants to pay for personal living expenses or to make Ponzi-style payments to early investors. Defendant Joseph Signore was responsible for raising \$10 million from 307 investors, 128 of whom resided in Florida. On December 7, 2015, following a six-week federal trial, the defendants were each found guilty of various charges to include, money-laundering, wire fraud and mail fraud. On March 14, 2016, defendant Signore was sentenced to serve 20 years in federal prison and ordered to pay \$31 million in restitution. Two days later, on March 16, 2016, Laura Grande-Signore was sentenced to seven years in prison and ordered to pay \$31 million in restitution for her role in the scheme (restitution orders were issued jointly, with each defendant responsible for the \$31 million in total restitution ordered in the case). Earlier, in May 2015, defendant Craig Hipp, Vice President of Manufacturing for JCS, was sentenced to seven years in prison for his own involvement in the scheme. The defendants received combined prison sentences totaling 46 years. This case was developed in cooperation with the SEC and the FBI. It was prosecuted by the United States Attorney’s Office in West Palm Beach. Each of the defendants was remanded into custody following the pronouncement of their sentences.

Lake Worth Check Cashier Arrested in Unlicensed Activity Scheme

On March 23, 2016, defendant Samuel Enamorado, Sr., was arrested by the DFS Division of Insurance Fraud on an outstanding warrant issued for one count of acting as an unlicensed money services business. The OFR investigation revealed that from December 2013 to May 2014, Emerald Realty of Palm Beach, Inc., cashed at least 144 third-party checks whose value, in aggregate, exceeded \$717,337. Most of the checks were from construction companies and were believed to have been negotiated as part of a workers’ compensation insurance premium avoidance scheme. Chapter 560, F.S., requires any person cashing payment instruments that have an aggregate face value of \$2,000 or more, per

person, per day to be licensed by the OFR. Licensing records revealed that Emerald Realty of Palm Beach, Inc., and Samuel Enamorado, Sr., are not and have never been licensed by the OFR as a check casher. The OFR opened this investigation based on information obtained from a confidential source that alleged Emerald Realty of Palm Beach, Inc., was operating as an unlicensed check casher. As the investigation revealed evidence of potential workers' compensation fraud, information obtained by the OFR was shared with the Division of Insurance Fraud for criminal prosecution. The Office of the State Attorney in Palm Beach County is prosecuting the case.

North Port Loan Broker Arrested in Advance Fee for Loan Scheme

On March 24, 2016, Stephen Hummell was arrested by the Cobb County Sheriff's Office at his home in Marietta, Georgia. Hummell was charged in Florida with communications fraud and eight counts of loan broker fraud. Hummell's arrest warrant included an order to extradite him from anywhere in the United States. Hummell's arrest results from his alleged involvement in an elaborate advance fee for loan fraud operated from North Port, Sarasota County, Florida. Along with co-suspect, and Certified Public Accountant, Mark Klingel, Hummell is accused of assessing and collecting more than \$1.2 million in advance fees from prospective borrowers on the promise of obtaining business loans. Evidence obtained during the course of the investigation suggests that the loss to prospective borrowers both within and outside of the state is likely more than \$2 million. An active arrest warrant exists for Klingel who is believed to be residing in the Sarasota County area. From October 2009 through June 2014, Hummell and Klingel are alleged to have used a website called capitalfirstinvestorsgroup.com, to offer loans to prospective borrowers via the internet. This website is no longer operational but previously listed Hummell as the Managing Director and Klingel as the Government Contracts/Financial Consultant for the business. Hummell maintained an office at Klingel's CPA firm in North Port. They are believed to have victimized more than fifty prospective borrowers throughout the US, ten of whom are believed to be Florida residents. No business loans or refunds have ever materialized. The OFR was the sole investigative agency in this matter. The case is being prosecuted by the Sarasota County State Attorney's Office.

South Florida Attorney Pleads Guilty in \$8 Million Mortgage Fraud Scheme

On March 30, 2016, Angel Garcia-Oliver, a Coral Gables attorney, entered a guilty plea to charges of conspiracy to commit bank and wire fraud in connection with a multi-million dollar mortgage fraud scheme. The plea was entered in U.S. District Court for the Middle District of Florida. Garcia-Oliver was the principal of Garcia-Oliver & Mainieri, P.A., a law firm which acted as the closing agent for fraudulently obtained mortgage loans, alleged to have been issued to straw buyers working with Tribute Residential, LLC. Garcia-Oliver, or employees working at his direction, served as settlement agents and conducted dozens of real estate closings for condominium units owned by Tribute, including Cypress Pointe in Orlando and the Villas at Lakeside in Oviedo. The investigation revealed that Garcia-Oliver knowingly facilitated the closing of condominium

sales at falsely inflated prices using mortgage loan proceeds obtained from financial institutions based on misrepresentations. The investigation revealed that these mortgage loans were made to credit-worthy straw buyers who, without the lenders' knowledge or consent, had been recruited by other defendants in the scheme to act as borrowers in exchange for compensation. The inflated property valuations allowed the sellers in the transactions, also co-conspirators in the scheme, to sell the homes for significantly more than market value. The proceeds from the sales would then be divided amongst the participants in the scheme. Losses suffered by mortgage lenders as direct result of Garcia-Oliver's conduct exceed \$8.25 million. This investigation was part of the U.S. Attorney's Middle District of Florida Mortgage Fraud Initiative and was developed jointly with the FBI and the Federal Housing Finance Agency. Additional defendants in this case are pending indictment or trial.

North Port Accountant Arrested in Advance Fee for Loan Scheme

On April 8, 2016, certified public accountant Mark J. Klingel was arrested by Sarasota County Sheriff's Deputies on a charge of communications fraud, a first degree felony. Klingel's arrest results from his alleged involvement in an elaborate advance fee for loan fraud that operated from his accounting firm (Mark J. Klingel CPA, LLC) in North Port. On March 24, 2016, co-defendant in the case, Stephen Eugene Hummell, was arrested by Cobb County Sheriff's Deputies at his home in Marietta, Georgia. Hummell was charged in Florida with communications fraud and eight counts of loan broker fraud. Hummell's arrest warrant included an order to extradite him from anywhere in the United States. Hummell has been held in the Cobb County jail without bond pending extradition to Sarasota County. Hummell and Klingel are accused of assessing and collecting more than \$1.2 million in advance fees from prospective borrowers on the promise of obtaining business loans. Evidence obtained during the course of the investigation suggests that the loss to prospective borrowers both within and outside of the state is likely greater than \$2 million. From October 2009 through June 2014, Hummell and Klingel are alleged to have used a website, www.capitalfirstinvestorsgroup.com, to offer loans to prospective borrowers via the internet. This website is no longer operational, but previously listed Hummell as the "Managing Director" and Klingel as the "Government Contracts/Financial Consultant" for the business. Hummell maintained an office at Klingel's CPA firm in North Port. They are believed to have victimized more than 50 prospective borrowers throughout the U.S., 10 of whom are believed to be Florida residents. No business loans or refunds have ever materialized. The OFR Bureau of Financial Investigations was the sole investigative agency in this case with valuable assistance from the OFR Division of Consumer Finance. Sarasota County (FL) and Cobb County (GA) Sheriff's Deputies performed the arrests and the case is being prosecuted by the Sarasota County State Attorney's Office. [Press Release: North Port Accountant Arrested in Advance Fee for Loan Scheme](#)

Two Defendants Arrested on Charges of Investment Fraud Related to a Purported Drug Rehabilitation Program

On May 9, 2016, David Sutton, Program Director of Keys 2 Recovery, Inc., a purported drug addiction rehabilitation services provider, was arrested on charges of securities fraud and selling unregistered securities. Sutton's business partner, Michael Garret was arrested on the same charges five days prior to Sutton's arrest. Both defendants are alleged to have sold unregistered securities in the form of promissory notes to at least 14 individuals who together invested approximately \$360,000. The investments were solicited based on the defendants' representations that the money would be used to fund and expand their 12-step addiction recovery program and each investor would receive an annualized return of nine percent on their investment. Investors were led to believe that the company was a provider of drug addiction rehabilitative services with endorsements from various courts throughout Florida and that its product, an online course entitled "Sober101," would be used by the courts to address first-time drug offenses at a cost of \$299 per offender. Contrary to representations, investigative findings suggest that the alleged drug court endorsements were false, along with the representations by defendants concerning their qualifications and experience. The defendants are also alleged to have failed to disclose the fact that much of the money collected from investors was used for personal expenses, in payment of refunds to earlier investors or spent on gambling. It is unknown if any of the money was used for the expansion of a rehab and recovery program. The OFR is the sole investigative agency in this matter, having committed more than 300 hours to the development of the case. The Sarasota County Sheriff's Office is recognized for their valuable assistance in executing these arrests. The case is being prosecuted by the Sarasota County State Attorney's Office.

Naples Man Arrested for Allegedly Duping Investors in Digital Advertising Business Scam

On June 30, 2016, Activision TV Founder and President David Locke Gothard was arrested by the Beaufort County Sheriff's Office in Beaufort, South Carolina based on an active Florida warrant related to charges of securities fraud, communications fraud and grand theft. The arrest was the result of a request from the Collier County Sheriff's Office that was searching for Gothard and received a tip on his whereabouts. Gothard's arrest warrant included an order to extradite him from anywhere in the United States. This joint OFR/OAG investigation was initiated based on a complaint from a Florida resident who alleged that he gave Gothard \$5,000 to purchase shares of Activision TV, Inc., based on promises of an initial public offering and representations by Gothard that the funds would be used to advance Activision's business. The investigation found that in addition to the complainant, at least nine other investors sent funds to Gothard to purchase Activision shares. The majority of these investors relied on Gothard's representations that their funds would be used to advance Activision's digital advertising display business. The investigation revealed that investor funds were not used to advance Activision's business, but were instead used by Gothard for his personal expenses. The Florida Office of the Attorney General had previously filed a Securities Litigation Lawsuit (2014-CA-2774-01)

against Gothard alleging racketeering and fraud related to investments in Activision. The lawsuit alleged that investors were misled by Gothard through misrepresentations of patented technology and through the production of fraudulent documentation. The 80-page lawsuit also alleged that Gothard stole millions of dollars from victims nationwide — many of them elderly — by making false promises and offering stocks that turned out to be worthless. The OFR is the lead investigative agency in this criminal enforcement case, teaming with the Florida Office of the Attorney General and the Collier County Sheriff's Office. The OFR appreciates the assistance of the Beaufort County, SC Sheriff's Office in Gothard's arrest. The Attorney General's Office of Statewide Prosecution is prosecuting the case.

Husband and Wife Duo Arrested for Role in Alleged Investment Fraud

On June 24, 2016, Miguel and Maritza Perez were each charged with one count of organized fraud, five counts of grand theft, and two counts of mortgage fraud in relation to an alleged investment scam that defrauded at least 13 Florida investors out of approximately \$500,000. Miguel and Maritza Perez are alleged to have collected payments totaling more than \$300,000 for a purported investment in an assisted living facility project in Clearwater and fraudulently obtaining loans totaling more than \$200,000. The investigation revealed that the assisted living facility never came into operation and Miguel and Maritza Perez used a large portion of investor funds for personal expenses, including the purchase of their 4,082 square foot home in New Port Richey. Miguel and Maritza Perez recruited investors using "free" real estate investment seminars held at hotels in the Tampa Bay Area. Miguel and Maritza Perez were arrested on June 24, 2016, and July 13, 2016, respectively. The Attorney General's Office of Statewide Prosecution is prosecuting the case. This case was opened based on a complaint which was referred to the OFR by the Attorney General's Office.

Unlicensed Check Casher Arrested in Palm Beach County

On June 22, 2016, Milagros S. Galo was arrested on a charge of acting as an unlicensed money services business. This joint OFR/DIF investigation established that from May 1, 2014 through July 30, 2014, Family Walk-In Closet, Inc., and its president, Milagros S. Galo, cashed at least 10 third party checks, each with a face value exceeding \$2,000 for a total of \$47,290.30. The checks were written by construction companies and made payable to known shell companies in furtherance of a worker's compensation insurance premium avoidance scheme. Chapter 560, F.S., requires that any person cashing payment instruments with an aggregate face value of \$2,000 or more, per person, per day must be licensed by the OFR. Licensing records revealed that Family Walk-In Closet, Inc., and Milagros S. Galo were not licensed by the OFR during the period relevant to this investigation. The OFR opened this investigation based on information obtained from a confidential source that alleged Family Walk-In Closet, Inc., was operating as an unlicensed check casher. The Office of the State Attorney in Palm Beach County is prosecuting the case. Galo has been released on bond pending her arraignment scheduled for August 4, 2016.

Sarasota Man Sentenced to Eight Years in Prison

On July 22, 2016, Russell F. Haraburda, of Sarasota, was sentenced to eight years in prison to be followed by 22 years of probation and ordered to pay more than \$1.9 million in restitution to his victims. The sentence follows Haraburda's guilty plea to a charge of organized fraud in connection with the sale of fraudulent "pre-initial public offering shares" of his company, Enviratrends. Haraburda claimed that Enviratrends possessed technology that could turn the cremated ashes of pets into precious gemstones and assured investors that their funds would be used to pay expenses associated with taking the company public. Based on these representations, Haraburda was able to raise more than \$3 million from more than 150 investors. Contrary to those representations, however, the OFR's investigation revealed that Haraburda used a majority of investors' money to support his lavish personal lifestyle, and not towards IPO expenses. The investigation found that more than \$1.7 million of investors' money was used by Haraburda for such things as an addition to a personal residence, the purchase of motorcycles and pleasure travel. Previously, on August 17, 2015, the U.S. Securities and Exchange Commission filed a civil injunctive action in the Middle District of Florida against Haraburda and Enviratrends. The action included a final judgment providing permanent injunctive relief, barring Haraburda from being associated with any offering of penny stock and disgorgement of ill-gotten gains. The final judgment also ordered Haraburda and EnviraTrends to jointly pay more than \$2.3 million in disgorgement and prejudgment interest. The Florida Department of Law Enforcement (FDLE) assisted the OFR with the execution of a search warrant on the company in January 2015. This case was prosecuted by the Attorney General's Office of Statewide Prosecution.

Woman Arrested for Role in Alleged Investment Fraud

On July 27, 2016, Shanteeka Bennifield, a/k/a Shanteeka Simmons, was arrested and charged with selling unregistered securities, securities fraud, organized fraud and grand theft for her alleged role in a fraudulent used automobile investment scheme that targeted at least eight Florida victims. Bennifield is currently on felony probation for fraudulent use of personal identifying information and is also awaiting sentencing for two counts of forgery, one count of fraudulent use of personal identifying information, one count of uttering a forged instrument, and two counts of grand theft in the third degree on unrelated cases. Bennifield allegedly operated an affinity fraud to obtain \$56,000 from eight Florida victims, whom she knew personally. Bennifield informed investors that she would use their money to purchase vehicles at auctions that would then be sold at Simmons Motor, LLC, a car dealership which she co-owns with her husband. Investors were told that they would receive between 10-50 percent in returns, depending on how much they invested. The investigation found that investors' money was not used to buy vehicles at auction as promised, but instead was used to keep the business from failing. After continued inquiries, five of the eight investors were paid a total of \$3,600 (supposed interest

payments). This investigation was developed jointly with the City of Tampa Police Department. The Hillsborough County State Attorney's Office is prosecuting the case.

Tampa Area Event Promoter Arrested for Alleged Investment Fraud

On July 31, 2016, Eric F. Peer was arrested in Prince William County, Virginia based on an outstanding warrant for grand theft issued by the Hillsborough County Circuit Court. In June 2015, Peer, acting as an event coordinator, solicited a Raleigh, North Carolina resident who was visiting Peer's roommate in Tampa. Peer represented that he could make a profit by loaning Peer money for an event in Tampa called "Shake The Night," a 1980's theme party that was to be held in downtown Tampa in October 2015. Peer claimed to have profitable ongoing events and promoted a 15-20 percent per month return. Peer represented that all of his events were insured up to \$2 million. In Mid-June 2015, at the instruction of Peer, the investor wired \$20,000 to Peer's bank account and in return received a loan agreement by e-mail which the two signed. The investigation found that Peer misappropriated the investor's money, which was used for personal use. The investigation also revealed that Peer had never applied for a permit for an outdoor event with the city of Tampa. The Prince William County Sheriff's Office is credited with effecting the arrest. The Hillsborough County State Attorney's Office is prosecuting the case. The case was opened based on a complaint referral from the Florida Attorney General's Office.

Man Arrested in Charlotte County for Investment Fraud

On August 10, 2016, Capital Strategy Investments Inc., (CSI) Founder and President Phillip Jon-Luke St. John was arrested on an active warrant related to charges of securities fraud, organized scheme to defraud and grand theft. The investigation leading up to St. John's arrest was based on a complaint filed by a resident of Massachusetts with the State Attorney's Office in Charlotte County and the OFR. The complainant claimed that he wired \$20,000 to St. John, based on promises that St. John would invest his money on an exclusive "trading platform" where his investment would triple within 34 business days. St. John was interviewed in jail by OFR investigators and admitted that he was operating under an assumed name. He admitted that his real name is Peter John Barberio and that his criminal record includes convictions for robbery, terroristic acts and tampering with witnesses, convictions for which he served prison sentences in New Jersey. St John also admitted to the allegations made in the OFR investigation that he took investor money and used it for personal expenses. The investigation found that in addition to the complainant, one other investor sent money to St. John for the same trading platform investment. The two investors relied on St John's representations that their money would be used to help generate the large returns that were promised. However, analysis of bank records revealed that the investors' money was not used towards an investment, but were instead appropriated by St. John for his personal use. The OFR was the sole investigative agency in this criminal enforcement action. The Charlotte

County Sheriff's Office and Punta Gorda Police Department are credited with St. John's arrest. The case is being prosecuted by the State Attorney's Office for the 20th Judicial Circuit of Florida in Charlotte County. St. John is in custody at the Charlotte County Jail. His bond is set at \$110,000.

Man Sentenced for Role in Ponzi Scheme

On August 23, 2016, Christopher Maguire was sentenced in federal court to 10 years in prison for wire fraud and engaging in monetary transactions derived from unlawful activity. The sentence follows his guilty plea to the charges on May 18, 2016. In addition to the prison sentence, the court also entered a judgment in the amount of \$4,938,574.40, which represents the proceeds of the criminal conduct. On September 22, 2015, a sealed criminal indictment was brought against Maguire by a federal grand jury in Tampa and he was arrested in New Hampshire on November 20, 2015. The indictment charged Maguire with 16 counts of wire fraud, four counts of money laundering and one count of interstate transportation of stolen property for his role in the scheme. The case against Maguire was developed based on allegations that he had been running a Ponzi scheme since 2002. The investigation found that in that time, Maguire received more than \$10 million from more than 150 investors whom he solicited through church organizations. Maguire told investors that their money would be used in a "proof of funds" business to facilitate hard money loans for other businesses. The investigation revealed, however, that rather than using new investor funds for business purposes, Maguire used the funds to pay returns to existing investors and misappropriated more than \$4 million. No evidence was found to support any of Maguire's representations to investors concerning the proof of funds business. This case was developed jointly with the IRS and the U.S. Secret Service and was prosecuted by the U.S. Attorney's Office for the Middle District of Florida. This case was opened by the OFR based on proactive searches of BSA data.

Thirteen People Arrested for Alleged Investment Scam

On September 27-28, 2016, 13 individuals were arrested for their involvement in an alleged fraudulent penny stock investment scheme. The alleged boiler room operations, which were run from Miami Lakes and Marina Del Ray, California, are believed to have caused investor losses totaling approximately \$22.5 million and involved the sale of stock in Sanomedics International Holdings, Inc., and Fun Cool Free, Inc. Sanomedics was purportedly engaged in the business of manufacturing infrared thermometers for dogs and Fun Cool Free purportedly developed gaming applications for smartphones. Most of the individuals arrested were charged with mail fraud and conspiracy to commit mail fraud. Craig Sizer, Keith Houlihan, Miguel Mesa, Charles K. Topping, Anita Sgarro, Jack Willard Sini, Juan M. Perez Ortega, Charles David Smigrod, Matthew William Wheeler, Martin Miller, Jason David Hershberger, James Wayne Long and Shawna Leigh Lynch were arrested. Principals Sizer, Houlihan, Mesa, Topping, Sgarro, Sini, Ortega, Smigrod, Wheeler, Hershberger and Lynch are accused of using false and fraudulent claims to solicit investors throughout the United States from April 2009 to August 2015. Mesa and Sizer allegedly prepared scripts for sales agents

and are believed to have orchestrated or encouraged the use of misrepresentations of celebrity endorsements, or claims of stock ownership, in order to facilitate the sales. Sales agents falsely claimed that television personalities such as Cesar “the Dog Whisperer” Millan and others were major investors or endorsed the companies’ products. On September 26, 2016, the SEC filed similar civil charges against Mesa and Sizer in federal district court in Miami. This investigation was developed jointly with the FBI, SEC and FINRA and is being prosecuted by the U.S. Attorney’s Office in Miami.

Orlando Man Arrested in Alleged Fraudulent Real Estate Sales Scheme

On September 27, 2016, Kevin Bayl was arrested by the DFS Division of Investigative & Forensic Services, Bureau of Insurance Fraud and was booked into the Orange County Jail on a \$25,000 bond. On September 23, 2016, a criminal information was filed in Orange County Circuit Court charging Bayl and co-defendants Leandro Obenauer and Myriam Torres with organized fraud. Arrest warrants were issued for all three individuals. During the period of October 2012 through February 2014, Obenauer, Torres and Bayl are alleged to have engaged in various schemes and fraudulent activities relating to the sale and financing of residential real estate. Unsuspecting homebuyers provided funds to Obenauer and his associates which were to be used to negotiate the sale of and secure financing for residential properties - properties that were neither owned by nor controlled by Obenauer and his associates. Individuals were falsely led to believe that Obenauer and his associates were in a position to sell the properties in question. Seven individuals in Orange, Seminole and Palm Beach counties are believed to have been defrauded out of more than \$88,000. Obenauer was the subject of a previous OFR criminal investigation in which he was found to have been involved in a pattern of fraudulent activity relating to the sale and financing of residential real estate. Obenauer and his co-defendants sold homes they did not own, collected down payments from buyers and attempted to secure financing in buyers’ names. On June 24, 2004, as a result of that investigation, Obenauer was arrested and charged with racketeering, organized fraud and multiple counts of grand theft. Obenauer pled guilty to racketeering and five counts of grand theft exceeding \$300,000. On September 10, 2007, Obenauer was sentenced to five years in state prison to be followed by 15 years of probation and ordered to pay restitution up to \$200,000. Obenauer was released from prison on February 1, 2009. The Department of Corrections, Office of Community Corrections (Probation) has been notified and an affidavit for violation of probation is being filed. This investigation was developed solely by the OFR and is being prosecuted by the Office of Statewide Prosecution in Orlando. The case is ongoing and additional arrests are pending. A related case was opened on August 17, 2016, to investigate a separate scheme believed to have been perpetrated by Obenauer and others. The suspected violations were discovered during the course of this investigation.

Miami Area Loan Broker Arrested in Alleged Advance Fee for Loan Fraud

On October 25th, 2016, Benjamin John Crozier was arrested on a charge of conspiracy to commit wire fraud and four counts of wire fraud based on a federal

grand jury indictment entered against him on September 29, 2016. The indictment alleges that from June 2011 through June 2012, Crozier orchestrated an advance fee for loan scheme through which he falsely obtained money from individuals throughout the United States and Canada. The advance fee payments were obtained from prospective borrowers who sought loans to develop various business projects. Crozier is alleged to have made a number of fraudulent representations to these individuals, including that he had the ability to fund the individuals' projects, that the loans could be paid off after 10 years and that he had a working relationship with Banco Santander, a Spanish bank with correspondent banking offices in Florida. Crozier charged the potential borrowers "retainer fees" ranging from \$5,000 to \$20,000, which he guaranteed to refund after 12 months if he could not provide funding for the projects. In order to lure borrowers into paying the retainer fees, Crozier operated a website through which he represented that Capital Finance Group, LLC had the ability to secure funding from "all over the world" for projects in the United States. Crozier also told borrowers that they could terminate their contracts and receive a full refund of their retainer fees within 48 hours. Despite these representations, none of the prospective borrowers received refunds of their advance fees. This joint OFR/HSI investigation found that Crozier did not have the ability to fund any of the borrowers' projects and did not have connections with any national or international financial firms that could provide funding for the borrowers' projects. A review of Crozier's bank account revealed that Crozier and his co-conspirators received approximately \$928,638 from borrowers, which they used for their personal benefit. The OFR worked jointly with U.S. Immigrations and Customs Enforcement's Department of Homeland Security Investigations in bringing this criminal enforcement action.

Former Fugitive Defendant Sentenced to 55 Months in Federal Prison for Role in Fraudulent Investment Scheme

On October 27, 2016, Abraham Shraga Gutterman was sentenced by a federal court in Miami to serve 55 months in prison for his role in a fraudulent precious metals and stock offering scheme. Gutterman was arrested in June 2016 by Panamanian authorities as a result of an outstanding international arrest warrant issued by the United States Department of Justice. Subsequently, the Panamanian authorities extradited Gutterman to Miami where he has been held without bond. From January 2010 to July 2010, in Miami-Dade County and elsewhere, Gutterman conspired with co-defendant Walter Caceres and others to defraud investors by making material misrepresentations in connection with their company, Venture Trading and Investments, LLC. Specifically, Gutterman convinced Caceres to serve as the corporate officer of three companies, Venture Trading and Investments LLC, US Coins & Metals LLC and Global Funding Wealth Management, LLC. In that capacity, Caceres, under the direction of Gutterman, controlled the corporate bank account of Venture Trading and Investments LLC, where investors' money was pooled. Caceres disbursed about 50 percent of investors' funds for the benefit of Gutterman. Gutterman solicited investors by making telephone calls and by hiring other individuals to solicit

investors by telephone. During these investor telephone solicitations, Gutterman and others used aliases to hide their true identities and lie to potential investors when they claimed to have had an existing investor-client relationship. Gutterman and others told investors that they could make money by purchasing gold options because the price of gold could rise, or by purchasing pre-IPO stock in Global Funding Wealth Management, LLC because the stock of that company was going to triple in price once it went public. Bank records showed that investors' money was not used to purchase any gold options or any pre-IPO stock. Instead, Gutterman and his co-conspirators used investor funds for other purposes, including for their own personal use and benefit. On December 3, 2015, co-defendant Walter Caceres was sentenced to a 30-month prison term to be followed by three years of probation. The sentence followed Caceres's guilty plea to one count of conspiracy to commit wire fraud in violation of Title 18, United States Code, Section 1349. Caceres was also ordered to pay \$605,900 in restitution to victims.

Margate Couple Arrested in Alleged Mortgage Foreclosure Rescue Scam

On November 18, and November 21, 2016, respectively, Weguel Legentus and his wife Chantale Baptiste were arrested on a charge of grand theft for their roles in an alleged fraudulent home loan modification scheme that caused at least one Florida resident to lose approximately \$15,000. The defendants allegedly promised to assist the homeowner with the loan modification for a fee of \$1,500. After the fee was paid, the defendants requested an additional \$2,300, supposedly to pay an attorney to stop the foreclosure. The defendants then requested \$3,500 to put in an "escrow account." Baptiste is alleged to have told the victim to negotiate a mortgage payment plan with the lender under which the victim would pay \$1,150 a month. When the victim contacted the defendants, Baptiste allegedly told the victim that the agreement was with the foreclosure attorney directly and not with the lender. A review of a bank account controlled by a relative of the defendants revealed that one of the checks requested for escrow was deposited into that account. A review of a call log from the victim's lender showed that the defendants made several telephone calls to the lender, alleging they represented the victim and all correspondence should be addressed to them. The lender's records did not show that the defendants submitted a loan modification package on behalf of the victim. After the victim confronted Baptiste, she agreed to refund all the money she collected from the victim, but never did so. The victim ultimately lost the property to foreclosure. Previously, in January 2011, the OFR initiated an examination after receiving a consumer complaint alleging that the defendants engaged in loan modification services and collected up-front fees without being licensed either as a mortgage broker, mortgage lender or loan originator. The examination revealed that from at least 2009, the defendants negotiated the terms or conditions of existing mortgage loans on behalf of at least six borrowers for compensation. On November 16, 2012, the defendants entered into an agreement with the OFR to cease and desist from any and all future violations of Chapter 494, Florida Statutes.

Brothers Plead Guilty to Investment Fraud

On December 21, 2016, Eric Ager entered a plea of guilty to federal charges of conspiracy to commit mail and wire fraud in connection with a fraudulent investment scheme operating as Tri-Med Corporation. A sentencing hearing has been set for March 13, 2017. The defendant's plea follows a previous guilty plea to the same charges by his brother, Irwin Ager, on December 2, 2016. Irwin Ager's sentencing is set for February 27, 2017. The two brothers, together with at least three other co-conspirators, were responsible for orchestrating the scheme which involved the sale of unregistered securities to mostly elderly Florida residents. The securities were said to be backed by purported medical receivables which the pair claimed to have purchased from medical services providers throughout the country. Both Agers marketed and sold the company's securities to hundreds of people, creating losses of more than \$17 million to investors, \$10.3 million of which was included in the US. Attorney's charges. The company remains under a court-appointed receivership following an OFR civil injunctive action. Evidence obtained to date revealed that very few receivables were purchased and the majority of the investors' funds were used for the personal benefit of the Agers and other co-conspirators. Criminal enforcement action against other defendants is still pending. This case was developed jointly with the United States Secret Service and is being prosecuted by the United States Attorney's Office in Orlando. The OFR is responsible for the majority of the investigative work leading up to these criminal convictions.