

GOVERNOR RICK SCOTT

MONTHLY AGENCY ACHIEVEMENT REPORT

OFFICE OF FINANCIAL REGULATION

January 2016

JANUARY ACHIEVEMENTS

1. Monthly Statistics

- Division of Securities
 - Examinations Opened: 20
 - Examinations Closed: 17
 - Complaints Received: 16
 - Complaints Closed: 11
 - Applications Received: 6,287
 - Applications Approved: 6,078
 - Applications Denied/Withdrawn: 41

- Division of Consumer Finance
 - Examinations Opened: 43
 - Examinations Closed: 30
 - Complaints Received: 141
 - Complaints Closed: 156
 - Applications Received: 1,426
 - Applications Approved: 1,460
 - Applications Denied/Withdrawn: 96

- Division of Financial Institutions
 - Examinations Opened: 7
 - Examinations Closed: 17
 - Complaints Received: 13
 - Complaints Closed: 32
 - Applications Received: 10
 - Applications Approved: 4
 - Applications Denied/Withdrawn: 2

- Bureau of Financial Investigations
 - Investigations Opened: 4
 - Investigations Closed: 3

2. 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.

Final Order for \$7,500 Fine Against an Associated Person

On December 30, 2015, the Division of Securities entered a final order against Alan Hagopian for failure to observe high standards of commercial honor and principals of trade by communicating with clients using an unapproved e-mail address. A \$7,500 administrative fine was paid.

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.

Final Order for \$29,500 Fine Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On December 31, 2015, the Division of Securities entered a final order against Agnello Financial Group, Inc., and Michael H. Agnello for engaging in prohibited business practices by failing to maintain an accurate Form ADV, maintain required net capital, timely notify the OFR of the firm's net capital deficiency, file audited financial statements and to comply with the custody requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. A \$29,500 administrative fine was paid.

Final Order for \$5,000 Fine Against an Associated Person for Prohibited Business Practices

On January 11, 2016, the Division of Securities entered a final order against Robert Dechick for engaging in prohibited business practices by failing to provide required disclosures on consolidated client statements. A \$5,000 administrative fine was paid.

Final Order for \$8,500 Fine Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On January 11, 2016, the Division of Securities entered a final order against Ragain Financial Inc., and Christopher G. Ragain for engaging in prohibited business practices by failing to maintain an accurate Form ADV, file audited financial statements, maintain and provide accurate advisory contracts, send clients itemized invoices and comply with the custody requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. An \$8,500 administrative fine was paid.

Final Order for \$12,500 Fine Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On January 20, 2016, the Division of Securities entered a final order against Allegiant Financial Advisors, LLC and Eric Nathal for engaging in prohibited business practices by failing to maintain an accurate Form ADV, file audited financial statements, prepare and maintain brochure supplements and send clients itemized invoices. A \$12,500 administrative fine was paid.

Final Order for \$12,500 Fine Against an Investment Adviser Firm for Prohibited Business Practices

On January 25, 2016, the Division of Securities entered a final order against Standfast Asset Management, LLC for engaging in prohibited business practices by failing to maintain an accurate Form ADV and timely file financial statements. A \$12,500 administrative fine was paid.

Final Order for \$3,000 Fine Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On January 25, 2016, the Division of Securities entered a final order against Blueskye Investment Advisers, LLC and Dakota Lawrence for engaging in prohibited business practices by failing 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, send clients itemized invoices and to comply with the custody requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. A \$3,000 administrative fine was paid.

3. Enforcement Actions

Convicted Ponzi Schemer Sentenced to More Than 17 Years in Prison

On January 22, 2016, Joseph Paul Zada of Wellington, Florida, 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 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. A restitution hearing is scheduled for March 18, 2016.

4. 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](#)