

GOVERNOR RICK SCOTT

MONTHLY AGENCY ACHIEVEMENT REPORT

OFFICE OF FINANCIAL REGULATION

January 2017

JANUARY ACHIEVEMENTS

1. Monthly Statistics

- Division of Securities
 - Examinations Opened: 35
 - Examinations Closed: 12
 - Complaints Received: 18
 - Complaints Closed: 15
 - Applications Received: 6,803
 - Applications Approved: 6,469
 - Applications Denied/Withdrawn: 78

- Division of Consumer Finance
 - Examinations Opened: 38
 - Examinations Closed: 25
 - Complaints Received: 132
 - Complaints Closed: 150
 - Applications Received: 3,443
 - Applications Approved: 3,251
 - Applications Denied/Withdrawn: 42

- Division of Financial Institutions
 - Examinations Opened: 7
 - Examinations Closed: 6
 - Complaints Received: 30
 - Complaints Closed: 33
 - Applications Received: 4
 - Applications Approved: 2
 - Applications Denied/Withdrawn: 0

- Bureau of Financial Investigations
 - Investigations Opened: 6
 - Investigations Closed: 11

2. Substantial Sanctions and Fines

Final Order for \$3,500 Fine Against an Investment Adviser Firm and Associated Person for Violations of Rules

On December 29, 2016, the Division of Securities entered a final order against Robert Bishop Financial Planning & Services and Robert Thomas Bishop, III, for violations of rules by failing to maintain an accurate Form ADV, send clients itemized invoices, file audited financial statements, maintain and provide accurate investment advisory agreements and comply with the custody and safekeeping requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. A \$3,500 administrative fine was paid.

Suspension of Investment Adviser Registration

On December 30, 2016, the Division of Securities entered an order of summary suspension against Target Capital Management, LLC for failing to provide the OFR all of the information required by the Florida Securities and Investor Protection Act, Chapter 517, F.S. Target Capital Management, LLC's registration as an investment adviser firm in the state of Florida is summarily suspended from conducting business.

Final Order for \$4,250 Fine Against an Investment Adviser Firm and Associated Person for Violations of Rules

On December 30, 2016, the Division of Securities entered a final order against Ronald W. Crisp, a sole proprietorship, and Ronald W. Crisp, individually, for violations of rules by failing to send clients itemized invoices, maintain required net capital, timely notify the OFR of the firm's net capital deficiency, file audited financial statements, maintain an accurate Form ADV, maintain current investment advisory client suitability information and comply with the custody and safekeeping requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. A \$4,250 administrative fine was paid.

Final Order for \$107,750 Fine Against a Check Cashier for Unlicensed Activity

On January 5, 2017, the Division of Consumer Finance entered a final order against Step-In Food Mart, Inc., for conducting business as a check cashier without a license.

Final Order for \$319,500 Against a Money Transmitter for Unlicensed Activity

On January 5, 2017, the Division of Consumer Finance entered a final order against Metavante Payment Services, LLC for conducting business as a money transmitter without a license.

Permanent Bar Against an Investment Adviser Firm for Violations of Florida Statutes and Rules

On January 9, 2017, the Division of Securities entered a final order against Atlas One Capital Management, LLC 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. Atlas One Capital Management, LLC was found to have violated Florida Statutes and Rules by failing to maintain an accurate Form ADV, maintain required net capital, timely file financial statements, hire an independent party or certified public accountant to review all fees,

expenses and capital withdrawals or conduct an audit of the pooled accounts while having custody of client funds. Pursuant to the final order, Atlas One Capital Management, LLC agreed to offer to purchase investor interests in an investment fund at their net asset value and to immediately withdraw its application for registration from the OFR.

Final Order for \$19,980 Fine Against an Associated Person for Unregistered Activity

On January 11, 2017, the Division of Securities entered a final order against James E. Hearn for engaging in unregistered investment advisory business activity. A \$19,980 administrative fine was paid.

Final Order Barring a Check Casher from Licensure for Prohibited Business Practices

On January 11, 2017, the Division of Consumer Finance entered a final order against Tienda Mexicana Los Hermanos, LLC and Osmar Osario Moran for acting as a money services business/check casher without a license. Respondents agreed to not seek a license or act as an affiliated party of another money services business for a period of twenty years in lieu of an administrative fine.

Final Order Barring a Check Casher from Licensure for Prohibited Business Practices

On January 13, 2017, the Division of Consumer Finance entered a final order against Bharat Corporation, Bharat Patel, and Sangita Patel for failing to maintain copies of the personal ID presented for cashing a payment instrument, thumbprints on payment instruments it cashed over \$1,000, a complete electronic log on payment instruments it cashed over \$1,000 and for failing to timely update and amend their license application with accurate financial information and list of officers. Respondents voluntarily surrendered their license and agreed to not seek a license or act as an affiliated party of another money services business for a period of ten years in lieu of an administrative fine.

Final Order Barring a Mortgage Lender from Licensure for Prohibited Business Practices

On January 13, 2017, the Division of Consumer Finance entered a final order against Baralt Mortgage Company and Mary Baralt for submitting a financial audit report audited by an unlicensed certified public accountant. Respondents agreed to surrender their license and Mary Baralt shall not seek a license pursuant to Chapter 494, F.S., or act as a control person for any loan originator, mortgage broker or mortgage lender for a period of five years in lieu of an administrative fine.

Final Order for \$70,750 Fine Against a Check Casher for Prohibited Business Practices

On January 13, 2017, the Division of Consumer Finance entered a final order against Shreeji of Ocala, Inc., and Deep Patel for failure to provide annual anti-

money laundering (AML) policy training and education and failure to have an annual independent audit review of the AML policy conducted. The respondent also failed to endorse payment instruments with their legal name, maintain copies of payment instruments cashed, maintain copies of the personal ID presented for cashing a payment instrument, maintain records of customer thumbprints, maintain an electronic log for payment instruments cashed over \$1,000 and maintain an active registration with the Financial Crimes Enforcement Network.

Final Order Barring a Check Casher from Licensure for Prohibited Business Practices

On January 13, 2017, the Division of Consumer Finance entered a final order against Pro Checks Online, LLC and Pedro Salazar for failure to maintain required customer files, thumbprints on payment instruments it cashed over \$1,000, and endorsements at the time of acceptance on payment instruments it cashed. Additionally, the respondents failed to timely update bank account information on file with the OFR, file currency transaction reports, timely file currency transaction reports, implement their anti-money laundering program, and to provide currency immediately for a payment instrument received and cashed. Respondents agreed to a revocation of their license and agreed to not seek a license or act as an affiliated party of another money services business for a period of fifteen years in lieu of an administrative fine.

Denial of an Associated Person

On January 13, 2017, the Division of Securities entered a final order against Robert Juan Escobio denying his applications for registration as an associated person for being the subject of a decision by a national commodities or option association (National Futures Association) involving violations of its rules.

Final Order for \$5,000 Fine Against an Investment Adviser Firm and Associated Person for Violations of Rules

On January 18, 2017, the Division of Securities entered a final order against Bhuta Wealth Management, LLC and Mahesh Bhuta for violations of rules by failing to send clients itemized invoices, maintain required net capital, timely notify the OFR of the firm's net capital deficiency, file audited financial statements, maintain an accurate Form ADV and comply with the custody and safekeeping requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. A \$5,000 administrative fine was paid.

Final Order for \$70,750 Fine Against a Check Casher for Unlicensed Activity

On January 20, 2017, the Division of Consumer Finance entered a final order against Tech Friends, Inc., for conducting business as a check casher without a license.

Final Order Barring a Consumer Collection Agency from Licensure for Unregistered Activity

On January 20, 2017, the Division of Consumer Finance entered a final order against United Financial, LLC and Josephine Frazier for acting as an unregistered consumer collection agency, making a material misstatement or omission of fact on an initial or amended application and failure to maintain appropriate debtor account records. Respondents voluntarily surrendered their license and agreed to not seek a license or act as an affiliated party of another consumer collection agency for a period of ten years in lieu of an administrative fine.

Final Order for \$56,600 and Revocation Against a Consumer Collection Agency from Licensure for Prohibited Business Practices

On January 23, 2017, the Division of Consumer Finance entered a final order against Fortress Management Services, LLC and Lynne Hernandez for failing to provide a written response to the OFR within 45 days after receipt of a written request for information concerning three consumer complaints and for failure to timely pay a previous fine imposed by the OFR.

Final Order Barring a Check Casher from Licensure for Unlicensed Activity

On January 25, 2017, the Division of Consumer Finance entered a final order against Chadi Barakat, Inc., d/b/a Speedway Food Store and Chadi Barakat for conducting business as a check casher without a license.

3. Enforcement Actions

Man Pleads Guilty for Role in Investment Fraud

On January 9, 2017, Timothy Roberts, of Chesterfield, Missouri, pleaded guilty to wire fraud for his role in the operation of Savtira Corporation, Inc., a purported internet technology firm which operated from 2010 until 2012. Roberts was the CEO and Chairman of the Board of Savtira. The conviction follows a federal grand jury indictment unsealed on September 9, 2015, in U.S. District Court in Tampa, against Roberts and Terrance Taylor, a resident of North Fort Myers, and Savtira's Executive Vice President of Finance. The indictment charged Roberts and Taylor with one count each of conspiracy to commit wire fraud and five counts of wire fraud. Taylor is currently set for trial in April 2017. Incorporated in 2011, the company purportedly offered a centralized, cloud-based shopping cart platform for online and traditional retailers to sell goods. Roberts and Taylor are alleged to have sold stock in Savtira to victim investors by making false claims upon which those investors relied. The alleged bogus claims included misrepresentations about the company's profitability, the company's supposed contracts with nationally recognized technology firms, the company's ownership of certain patents and the overall valuation of the company. Roberts and Taylor are also alleged to have failed to disclose to investors that Roberts was a party to a settlement agreement with the Securities and Exchange Commission (SEC) in 2008 that required him to pay a fine and banned him from selling unregistered securities. The joint OFR-FBI investigation revealed that the stock certificates that Roberts and Taylor sold to investors were essentially worthless and that the proceeds from those sales were used by both men for personal expenses and cash withdrawals. Contrary to the defendants' representations, Savtira did not

own any patents or a working product. Instead, in order to give the appearance of a thriving business, Roberts and Taylor are alleged to have generated bogus invoices and receivables, making it appear as if Savtira had millions in revenue, falsely bolstering the company's value and ability to factor invoices for cash. In all, Roberts and Taylor raised approximately \$5.3 million from investors nationwide and from factoring bogus invoices. Simultaneous with the unsealing of the indictment, the SEC filed a separate, civil enforcement action against the defendants, charging them with securities fraud. The case is being prosecuted by the United States Attorney's Office for the Middle District of Florida in Tampa. A sentencing date for Roberts is pending.

Pembroke Pines Viatical Settlements Provider Sentenced to Four Years in Federal Prison for Investment Fraud Scheme

On January 12, 2017, Giovanni Vasquez, of Pembroke Pines, was sentenced to 48 months in federal prison for his role in an elaborate investment fraud scheme involving the purchase of life insurance policies from individuals with a short life expectancy (a practice known as life or viatical settlements) using funds obtained from investors. Vasquez was the CEO of Global Wealth Creations, LLC ("GWC") and was in direct control of the business and its fraudulent practices. The OFR's investigation revealed that GWC operated from 2008 through 2011, resulting in combined losses of approximately \$4.2 million dollars to approximately 40 victims. As part of the scheme, Vasquez maintained an office in Miami from which he would recruit financial advisors to target seniors with substantial retirement savings. Vasquez is also believed to have sold viatical settlements in some cases directly to certain investors. Investors in GWC were led to believe that their investments were safe because the company invested only in life insurance policies that were "secured" by life insurance companies. Investors were falsely promised a 10 percent annual return on their investments over a five-year period and were given investment performance letters that grossly misrepresented the company's financial condition, inflating the amount of profits the company supposedly generated from its investments. Contrary to these representations, the investigation found that GWC only purchased one life insurance contract and that contract never resulted in a benefit payout due to misrepresentations. Rather than using investor funds to purchase additional insurance contracts, the investigation revealed that investors' funds were used for the benefit of Vasquez, who paid himself a salary and bonuses with the money, or used it for personal or unrelated business expenses. Vasquez is scheduled to begin his four-year prison sentence on February 9, 2017, after which he will serve three years of probation. Vasquez was further ordered to pay \$4,283,604.76 in restitution. This investigation was developed jointly with the FBI and was prosecuted by the U.S. Attorney's Office in Miami.

Flagler Beach Former Pastor Convicted of Investment Fraud

On January 26, 2017, following a three-day trial in Flagler County Circuit Court, a jury returned a guilty verdict against Wesley Alan Brown on 19 felony charges including the sale of unregistered securities, the sale of securities by an unregistered dealer, securities fraud, theft and organized scheme to defraud.

From December 2010 through June 2012, Brown, a former associate pastor at a Flagler Beach area church, solicited church members to invest in the stock of Maverick International, Inc. Brown told investors that Maverick was a diversified private company located in Delaware that invested in precious metals and commodities. He also told investors that he invested in the company himself and that the investments had no risk and high potential for growth. Brown did not make any other disclosures to investors as required by law. In or around October 2012, Brown informed investors that their entire investment in Maverick was lost due to a collapse of a third-party commodities brokerage firm that held Maverick's investments. The investigation revealed, however, that Maverick, which was operated by Brown's brother in law, invested in highly speculative commodities futures and suffered substantial losses as a result of unsuccessful trading. Additionally, it was determined that Brown deposited at least \$60,000 of investors' money directly into his personal account in the name of "Wesley Alan Brown DBA Maverick International," and used the funds for his personal expenses. Bank records also revealed that Maverick paid Brown's credit card bills totaling more than \$84,000. The investigation did not find evidence that Brown invested any of his own funds in Maverick as represented to investors. Following the trial, Brown was remanded into the custody of the Flagler County Jail to await sentencing. A sentencing hearing is tentatively scheduled for March 2017. Brown is facing up to 5 years in prison for each felony conviction related to the securities and theft charges. Additionally, Brown is facing up to 30 years in prison for the conviction in the organized scheme to defraud charge. This investigation was conducted in conjunction with the Flagler County Sheriff's Office, the Flagler County State Attorney's Office and the Commodities Futures Trading Commission. The case was prosecuted by the State Attorney's Office, 7th Judicial Circuit, Flagler County.

4. Communications and Outreach Activities

On January 10, 2017, the OFR released a press release regarding the release of its annual Fast Facts.

[Press Release: Florida Office of Financial Regulation Releases Annual Fast Facts](#)

On January 12, 2017, the OFR released a press release regarding the \$500,000 fine of three consumer finance companies.

[Press Release: Consumer Finance Companies Fined \\$500,000](#)

On January 17, 2017, the OFR released a consumer alert on tax-refund fraud.

[Consumer Alert: Tax-Refund Fraud](#)

On January 27, 2017, the OFR released a press release regarding the conviction of a Flagler Beach former pastor for investment fraud.

[Press Release: Former Associate Pastor Convicted of Investment Fraud](#)