

GOVERNOR RICK SCOTT

MONTHLY AGENCY ACHIEVEMENT REPORT

OFFICE OF FINANCIAL REGULATION

February 2017

FEBRUARY ACHIEVEMENTS

1. Monthly Statistics

- Division of Securities
 - Examinations Opened: 16
 - Examinations Closed: 22
 - Complaints Received: 22
 - Complaints Closed: 22
 - Applications Received: 3,337
 - Applications Approved: 3,342
 - Applications Denied/Withdrawn: 66

- Division of Consumer Finance
 - Examinations Opened: 44
 - Examinations Closed: 41
 - Complaints Received: 124
 - Complaints Closed: 134
 - Applications Received: 2,724
 - Applications Approved: 2,840
 - Applications Denied/Withdrawn: 49

- Division of Financial Institutions
 - Examinations Opened: 9
 - Examinations Closed: 12
 - Complaints Received: 49
 - Complaints Closed: 42
 - Applications Received: 2
 - Applications Approved: 5
 - Applications Denied/Withdrawn: 2

- Bureau of Financial Investigations
 - Investigations Opened: 12
 - Investigations Closed: 9

2. Substantial Sanctions and Fines

Final Order for \$7,500 Fine Against a Broker Dealer Firm for Violations of Rules
On January 30, 2017, the Division of Securities entered a final order against

USA Financial Securities Corporation for violations of rules by failing to follow the firm's written supervisory procedures, maintain a registered representative Form U-4 and maintain the Form BR (Branch Office) to accurately reflect other business names that conducted investment-related activities at its Florida branch office. A \$7,500 administrative fine was paid.

Final Order for \$10,650 Against a Check Casher for Prohibited Business Practices

On February 3, 2017, the Division of Consumer Finance entered a final order against Giant Supermarket, LLC, Rasem Okab, and Rafik Abdel-halim for failure to maintain an electronic log for payment instruments cashed over \$1,000, complete files for customers who cashed corporate payment instruments exceeding \$1,000 and for failure to timely update its banking information with the OFR.

Final Order for \$18,000 Against a Check Casher for Prohibited Business Practices

On February 3, 2017, the Division of Consumer Finance entered a final order against D & D Business Solutions, Inc., and Daiva K. Antuchas for failure to maintain and deposit payment instruments it cashed into its own commercial bank account. Additionally, the respondents failed to maintain complete files for customers who cashed corporate payment instruments exceeding \$1,000, endorse payment instruments it cashed, timely update its banking information with the OFR, file currency transaction reports and timely file currency transaction reports.

Final Order for \$14,000 and a 40-Day Suspension Against a Check Casher for Prohibited Business Practices

On February 3, 2017, the Division of Consumer Finance entered a final order against NO. 5, Inc., d/b/a Quick Stop Food Store and Ashraf Abdelrahman for failure to endorse payment instruments it cashed and failure to maintain an electronic log for payment instruments cashed over \$1,000.

Final Order for \$32,000 Against a Money Transmitter for Prohibited Business Practices

On February 3, 2017, the Division of Consumer Finance entered a final order against Sigue Corporation d/b/a Envois El Cid and Guillermo De La Vina for failure to timely submit required year-end audit reports, endorse payment instruments it cashed, maintain copies of the personal ID presented for cashing a payment instrument, maintain records of customer thumbprints and maintain a complete payment log.

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

On February 3, 2017, the Division of Securities entered a final order against Robert Lananna, 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. Lananna 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.

Final Order for \$8,000 Fine Against an Investment Adviser Firm for Violations of Rules

On February 3, 2017, the Division of Securities entered a final order against Loyd Capital Performance Partners, Inc., for violations of rules by failing to file audited financial statements and comply with the custody and safekeeping requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. A \$8,000 administrative fine was paid.

Denial of Associated Person

On February 8, 2017, the Division of Securities entered a final order against David Ronald Hatfield denying his application for registration as an associated person for making a material misrepresentation or misstatement on his application for registration.

Termination of an Investment Adviser Firm and Associated Person for Violations of Rules

On February 8, 2017, the Division of Securities entered a final order against Mosaic Advisory Group and Donald W. Zimmerman 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 an accurate Form U-4, produce documents to prove the firm's brochure was offered to clients and to disclose the advisory fee calculation method in client investment advisory contracts. In addition, the Mosaic Advisory Group charged fees in excess to those stated in the Investment Advisory Contracts. Pursuant to the final order, Mosaic Advisory Group and Donald W. Zimmerman will withdraw their registrations with the state of Florida and are ineligible to re-apply for registration as investment advisers in the state of Florida.

Permanent Bar Against an Investment Adviser Firm and Associated Person for FINRA Sanctions

On February 8, 2017, the Division of Securities entered a final order against Golden Wealth Management, Inc., and Shaun Paul Golden, permanently barring them 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 they failed to request a hearing. The final order follows an administrative complaint, which alleged that Mr. Golden, principal, control person and director of Golden Wealth Management, Inc., was the subject of a permanent bar by FINRA, a national securities association and that he made a false statement in his application for registration with the state of Florida.

Permanent Bar and \$18,000 Fine Against Investment Adviser Firm for Violation of Rules

On February 9, 2017, the Division of Securities entered a final order against Target Capital Management, LLC permanently barring the firm from submitting an application or notification for registration with the OFR, after they failed to request a hearing. The final order follows an administrative complaint, which alleged that Target Capital Management, LLC failed to produce records, timely provide financial statements and timely update the Form ADV. A \$18,000 administrative fine was assessed.

Termination of an Investment Adviser Firm and \$2,000 Fine for Violations of Rules

On February 14, 2017, the Division of Securities entered a final order against Daniel T. Cook & Partners, LLC and Daniel Timothy Cook 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 an accurate Form U-4, maintain and provide accurate written investment advisory contracts and comply with the custody and safekeeping requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. Pursuant to the final order, the firm will withdraw its registration as an investment adviser with the state of Florida and Daniel Timothy Cook is ineligible to apply for registration as associate person of an investment adviser in the state of Florida, of which he is an owner, for a period of five years. A \$2,000 administrative fine was paid.

Final Order Revoking a Check Cashers license for Prohibited Business Practices

On February 14, 2017, the Division of Consumer Finance entered a final order against Shiv Shradha, Inc., d/b/a King Food Store and Pankaj Patel for failure to maintain a complete anti-money laundering program, failure to maintain an electronic log for payment instruments exceeding \$1,000, copies of payment instruments cashed, endorse payment instruments it cashed, maintain records of customer thumbprints, complete customer files for customer who cashed corporate payment instruments and maintain copies of IDs taken.

Final Order for \$28,100 Fine Against a Check Casher for Prohibited Business Practices

On February 14, 2017, the Division of Consumer Finance entered a final order against Hossain Investments Inc., d/b/a/ Bushnell Shell and M.D. Hossain for submitting a false anti-money laundering independent review to the OFR, failure to file quarterly reports, maintain records of fees charged for payment instruments cashed and maintain copies of payment instruments cashed.

Final Order for \$13,250 Fine Against a Check Casher for Prohibited Business Practices

On February 14, 2017, the Division of Consumer Finance entered a final order against Saniya Enterprises, Inc., D/b/a Lake Weir Chevron and Nizar N. Dhamani

for failure to endorse payment instruments cashed, maintain records of customer's thumbprints, copies of IDs taken to cash payment instruments, maintain an electronic log for payment instruments exceeding \$1,000, report a change in initial application information to the OFR, maintain a complete anti-money laundering policy and failure to register with FinCEN as a money services business.

Final Order for \$6,000 Fine Against an Investment Adviser Firm and Associated Person for Violations of Rules

On February 15, 2017, the Division of Securities entered a final order against Jackson Private Wealth Management, Inc., and Scott Jackson for violations of rules by failing to maintain an accurate Form ADV, send clients itemized invoices, file audited financial statements, file accurate financial statements, maintain an accurate form U-4, prepare and maintain accurate investment advisory agreements and comply with the custody and safekeeping requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. In addition, the firm and Mr. Jackson deducted fees from client accounts which differed from the contracted advisory fees. A \$6,000 administrative fine was paid.

Final Order for \$9,000 Fine Against an Investment Adviser Firm and Associated Person for Violations of Rules

On February 17, 2017, the Division of Securities entered a final order against Blackstone Wealth Management and Alexander J. Blackstone for violations of rules by failing to maintain an accurate Form ADV, send clients itemized invoices, file audited financial statements, maintain required net capital, timely notify the OFR of the firm's net capital deficiency, maintain trial balances and internal audit papers and comply with the custody and safekeeping requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. A \$9,000 administrative fine was paid.

3. Enforcement Actions

Unlicensed Debt Collector Pleads Guilty to Fraud

On January 30, 2017, Robert Dana Brown, formerly of Ft. Myers, entered a guilty plea in Lee County Circuit Court to a charge of communications fraud. Brown was arrested in June of 2015, for his role in a scheme to defraud homeowners' associations (HOAs) in Lee County by claiming to provide the services of a debt collector but failing to remit payments to his clients as required by law. Brown received a withhold of adjudication and was sentenced to time served and two years of probation. Brown was also ordered to pay cash restitution of more than \$105,135 to 12 HOAs and agreed to never again act as a debt collector in Florida. Brown was previously licensed as a debt collector from 2008 to 2012. In his role as president and owner of Leading Association Solutions, Inc., (a formerly licensed consumer collection agency), Brown collected at least \$56,000 in outstanding homeowners' association dues on behalf of three HOAs in Lee and Collier Counties. Brown was further alleged to have failed to remit those collected funds to their rightful owners. On July 2, 2014, Circuit Judge Keith Kyle of Lee

County issued a search warrant for the seizure of more than \$180,000 maintained by Brown at First Citizens Bank in Ft. Myers. All funds seized were shown to have been derived from Brown's consumer collection activities. The investigation revealed that from 2008 to 2012, Leading Association Solutions collected more than \$4 million from more than 400 client accounts to satisfy property liens held on behalf of the HOAs. The investigation also revealed that Brown owed more than \$48,000 to an additional nine HOAs that did not file a complaint and possibly were not aware of the money owed them. The OFR was the lead investigative agency in this matter working in conjunction with the Lee County Sheriff's Office. The U.S. Marshalls Service in Seattle effected Brown's arrest. The case was prosecuted by the State Attorney's Office, 20th Judicial Circuit for Lee County.

St. Petersburg Man Arrested in Advance Fee Loan Scam

On January 30, 2017, Darien Levar Bell of Levar & Associates, LLC located in St. Petersburg, was arrested by the St. Petersburg Police Department on a felony warrant issued in Hillsborough County three days earlier. The warrant was issued as a result of an OFR investigation that found that Bell acted as a loan originator without a current, active license and assessed and collected an advance fee from a borrower to provide services as a loan broker. It is alleged that Bell and his Tampa victim met online via a Craigslist ad. Bell's victim sought a \$90,000 mortgage loan to purchase two properties. Bell assured the victim that he would be able to obtain the loan and informed the victim that the victim was required to pay Bell a \$2,500 "refundable commitment fee." After receiving the victim's \$2,500 advance fee, Bell continued to request more documentation and provided multiple excuses as to why the loan was being delayed. A mortgage loan never materialized and the victim has not been refunded the \$2,500 advance fee paid to Bell. This case is being prosecuted by the Hillsborough County State Attorney's Office. Bell was booked into the Pinellas County jail and later released on \$4,000 bond.

Duo Plead Guilty to Mortgage Fraud

On February 10, 2017, defendant David Cevallos was adjudicated guilty after having signed a plea agreement with the United States Attorney's Office on February 8, 2017. On January 31, 2017, defendant Osbel Sanchez was adjudicated guilty after having signed a plea agreement with the United States Attorney's Office on January 9, 2017. Each of the two defendants pled guilty to charges of conspiracy to commit wire fraud affecting a financial institution and face a maximum penalty of 30 years in federal prison. On April 29, 2015, Sanchez along Cevallos, were indicted in U.S. District Court for the Middle District of Florida. Sanchez was charged with one count of conspiracy to commit wire fraud and three individual counts of wire fraud. The charges stem from their roles in an elaborate mortgage fraud scheme involving properties in Central and South Florida. Cevallos and Sanchez, in concert with others, bought or facilitated the sale of condominium units at highly inflated prices, funding the purchases through mortgage loans obtained from various financial institutions. 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 Sanchez and Cevallos 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. The indictments alleged that Sanchez and Cevallos conspired with others to falsify settlement statements and mortgage loan applications in order to receive substantial and undisclosed kickbacks from the sellers. Their activities are alleged to have resulted in \$4.2 million in losses. This investigation was part of the U.S. Attorney's Middle District of Florida Mortgage Fraud Initiative and was developed jointly with the OFR/FBI and the Federal Housing Finance Agency. The activities averred in the indictments are alleged to have occurred between 2007 and 2008. Further indictments in the case are anticipated.

4. Communications and Outreach Activities

On January 26, 2017, a member of the Division of Financial Institutions participated on a safety and soundness seminar regulatory panel held by the Florida Bankers Association.

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](#)

On February 1, 2017, the OFR released a press release regarding the guilty plea of an unlicensed debt collector for fraud.

[Press Release: Unlicensed Debt Collector Pleads Guilty to Fraud](#)

On January 31, 2017, eight members of the Division of Financial Institutions attended the annual National Credit Union Association meeting to discuss exam related topics for 2017.

On February 2, 2017, the OFR released a press release regarding the arrest of a St. Petersburg Man in an advance fee loan scam.

[Press Release: St. Petersburg Man Arrested in Advance Fee Loan Scam](#)

On February 27, 2017, the OFR released a consumer alert celebrating America Saves Week.

[Consumer Alert: America Saves Week](#)