

# GOVERNOR RICK SCOTT

## MONTHLY AGENCY ACHIEVEMENT REPORT

### OFFICE OF FINANCIAL REGULATION

JUNE 2014

#### JUNE ACHIEVEMENTS

##### 1. Monthly Statistics

- Division of Securities
  - Examinations Opened: 21
  - Examinations Closed: 35
  - Complaints Received: 13
  - Complaints Closed: 16
  - Applications Received: 3,733
  - Applications Approved: 3,689
  - Applications Denied/Withdrawn: 57
  
- Division of Consumer Finance
  - Examinations Opened: 56
  - Examinations Closed: 46
  - Complaints Received: 178
  - Complaints Closed: 129
  - Applications Received: 1,326
  - Applications Approved: 1,295
  - Applications Denied/Withdrawn: 56
  
- Division of Financial Institutions
  - Examinations Opened: 7
  - Examinations Closed: 14
  - Complaints Received: 10
  - Complaints Closed: 56
  - Applications Received: 54
  - Applications Approved: 21
  - Applications Denied/Withdrawn: 11
  
- Bureau of Financial Investigations
  - Investigations Opened: 6
  - Investigations Closed: 7

##### 2. Substantial Regulatory Actions

###### Permanent Bar and \$115,000 Fine Against an Associated Person for Prohibited Business Practices and Fraud

On June 9, 2014, the Division of Securities entered a Final Order against Angel Manuel Aviles permanently barring Mr. Aviles from registration with the Office,

after he failed to timely request a hearing. The Final Order follows an Administrative Complaint, which alleged Mr. Aviles conducted fraudulent securities transactions, and engaged in prohibited business practices by commingling funds and selling his future earnings. An administrative fine of \$115,000 was assessed.

Final Order for \$18,000 Fine Against an Associated Person for Unregistered Activity

On June 13, 2014, the Division of Securities entered a Final Order against Edward Dale Shupe for engaging in unregistered investment advisory activities. An \$18,000 administrative fine was paid.

Final Order for \$15,000 Fine Against an Investment Adviser Firm for Prohibited Business Practices

On June 13, 2014, the Division of Securities entered a Final Order against Stark Financial Advisers, Inc., for engaging in prohibited business practices by failing to maintain accurate books and records and Form ADV, entering into deficient and inappropriate client advisory agreements, charging excessive advisory fees to clients and publishing misleading information on the firm's website. A \$15,000 administrative fine was paid.

Final Order for \$9,000 Fine Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On June 13, 2014, the Division of Securities entered a Final Order against APEX Investment Management, Inc., and Byron D. Aldridge, Jr., for engaging in prohibited business practices by failing to timely file financial statements, maintain books and records and maintain required net capital and properly disclose advisory fees in client advisory agreements. A \$9,000 administrative fine was paid.

Denial of Associated Person

On June 13, 2014, the Division of Securities entered a Final Order against Michael Kelley Macke, denying his application for registration as an associated person for making a material misrepresentation or misstatement on his application for registration.

Permanent Bar and \$460,000 in Total Fines Against Unregistered Broker Dealers and Six Associated Persons for Unregistered Activity and Fraud

On June 17, 2014, the Division of Securities entered a Final Order against GlobalOne Financial, Inc., Asset Capital Consulting, Inc., Michael Jeffery Scott, Ryan Patrick Coon, Noel Gary Beres, Barry David Cohen, Rupert Winston Hakim and Goron Craig Jemmott permanently barring them from seeking future registration or licensure with the Office of Financial Regulation, after they failed to request a hearing. The Final Order follows an Administrative Complaint, which alleged the firms and associated persons offered and sold unregistered securities, engaged in securities business in Florida without being registered, and conducted fraudulent securities transactions. A total of \$460,000 in administrative fines was assessed.

### Final Order for Fines Totaling \$7,500 Against an Investment Adviser Firm for Prohibited Business Practices

On June 20, 2014, the Division of Securities entered a Final Order against Empire Financial Group, LLC, and Barrett Haus for failing to maintain custody safeguards, comply with custody requirements and maintain required net capital. An administrative fine of \$7,500 was paid.

### **3. Communications and Outreach Activities**

On June 2-4, 2014, The OFR division directors, the deputy commissioner and the director of communications completed semi-annual field team visits. During each visit, the leadership team provided a legislative update, overview of the communications office, and completed breakout sessions for staff in each field office.

On June 4 and 5, 2014, Division of Consumer Finance Registration Bureau Chief attended the Conference of State Bank Supervisors (CSBS) Mortgage Testing and Education Board annual meeting in Washington, D.C. The board met to develop policy recommendations for mortgage testing investigations and the examination of education providers. The board also reviewed existing investigations and the future board membership. Members toured a test center to experience the process of taking pre-licensing examinations. There were ten board members and ten members of the CSBS staff present.

On June 6-8, 2014, members of the OFR Division of Securities attended the North American Securities Administrators Association (NASAA) Broker-Dealer & Agent Examination & Registration Training held in St. Louis, MO. Both OFR members served as trainers during the three-day training program for examination and registration staff of state securities regulators. More than 125 attendees from more than 30 states participated in the event.

On June 8, 2014, an opinion editorial written by OFR Commissioner Drew J. Breakspear was published by the *Daytona Beach News Journal*.

[Daytona Beach News Journal: Drew Breakspear: Learn to outsmart scammers](#)

On June 9-11, 2014, the Division of Consumer Finance and the Bureau of Financial Investigations participated in annual field team trainings. Speakers included members of the Consumer Financial Protection Bureau, Financial Crimes Enforcement Network, U.S. Securities and Exchange Commission, Internal Revenue Service Criminal Investigations and the Assistant State Attorney's Office. Topics discussed included examinations and current legislation.

On June 9, 2014, OFR Commissioner Drew J. Breakspear presented at the Florida Bankers Association Annual Meeting in Naples, Florida. His presentation emphasized the status of Florida's banks. Additionally, a member of the Division

of Financial Institutions represented the OFR on a regulatory panel. There were approximately 140 people in attendance.

On June 12, 2014, OFR Commissioner Drew J. Breakspear provided opening remarks at the Southeast Credit Union Conference & Expo in Orlando, Florida. Four members of the Division of Financial Institutions attended the conference and two OFR members participated in the regulatory roundtable. There were approximately 50 people in attendance.

On June 12, 2014, a Skype interview between OFR Deputy Commissioner Gregory J. Hila and Mike Holfeld of WKMG-TV Orlando aired.

[WKMG: Deputy Commissioner Hila: Debt Collectors](#)

On June 15, 2014, an opinion editorial written by OFR Commissioner Drew J. Breakspear was published by the *Tallahassee Democrat*.

[Tallahassee Democrat: Choosing the right financial professional](#)

On June 17, 2014, representatives of Florida Securities Dealers Association, Wells Fargo Advisors, and TradeStation Securities joined with a representative of the OFR and State Representative Barbara Watson to present a seminar entitled, "Elder Fraud and Identity Theft," to a senior citizens group in Miami Gardens, Florida. The lively and well-attended interactive presentation covered such topics as, "Why Target Elderly Persons," "Who are the Victims of Elder Fraud," "What to do if You are the Victim of Identity Theft," "Warning Signs of Potential Fraud," "Protective Measures that an Elderly Person Can Take To Avoid Becoming The Victim of Fraud," and "Reverse Mortgages."

On June 19, 2014, the OFR issued a consumer alert warning of unauthorized use of OFR branding.

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

On June 20, 2014, a Skype interview between OFR Deputy Commissioner Gregory J. Hila and Mike Holfeld of WKMG-TV Orlando aired.

[WKMG: Deputy Commissioner Hila: Reload Scams](#)

On June 23, 2014, a member of the OFR Division of Securities participated in a panel discussion with the U.S. Securities and Exchange Commission (SEC) at the Regulatory Compliance Conference in Boca Raton. The panel discussed Investment Adviser examination/enforcement trends, compensation and compliance expectations. Approximately 35 members of the investment adviser industry attended.

On June 24, 2014, the OFR issued a press release announcing the name change and conversion of First National Bank of the Gulf Coast to a state-chartered financial institution.

[Press Release: First National Bank of the Gulf Coast Changes Name, Becomes State-Chartered Institution](#)

On June 26, 2014, a member of the OFR Division of Securities participated in a panel discussion with the U.S. Securities and Exchange Commission (SEC) at the Southeastern Securities Conference in Atlanta, Georgia. The panel discussed examination/enforcement trends and common examination findings. Approximately 60 securities regulatory members attended.