

# GOVERNOR RICK SCOTT

## MONTHLY AGENCY ACHIEVEMENT REPORT

### OFFICE OF FINANCIAL REGULATION

SEPTEMBER 2014

#### SEPTEMBER ACHIEVEMENTS

##### 1. Monthly Statistics

- Division of Securities
  - Examinations Opened: 20
  - Examinations Closed: 30
  - Complaints Received: 23
  - Complaints Closed: 16
  - Applications Received: 4,088
  - Applications Approved: 3,877
  - Applications Denied/Withdrawn: 61
  
- Division of Consumer Finance
  - Examinations Opened: 25
  - Examinations Closed: 45
  - Complaints Received: 219
  - Complaints Closed: 187
  - Applications Received: 1,105
  - Applications Approved: 1,253
  - Applications Denied/Withdrawn: 29
  
- Division of Financial Institutions
  - Examinations Opened: 11
  - Examinations Closed: 8
  - Complaints Received: 81
  - Complaints Closed: 68
  - Applications Received: 14
  - Applications Approved: 7
  - Applications Denied/Withdrawn: 1
  
- Bureau of Financial Investigations
  - Investigations Opened: 20
  - Investigations Closed: 16

##### 2. Substantial Regulatory Actions

###### Fine Issued for Unlicensed Activity

On August 27, 2014, the Division of Consumer Finance entered a Final Order against Verizon Wireless Services, LLC, for unlicensed retail installment activity

and unlicensed sales finance activity. Administrative fines of \$10,000 and \$7,500 were paid and licenses were granted.

#### Denial of Associated Person

On August 29, 2014, the Division of Securities entered a Final Order against Brian Grayson Kidder, denying his application for registration as an associated person, after he failed to request a hearing. The Final Order follows a Notice of Intent to Deny, which alleged Mr. Kidder made a material misrepresentation or misstatement on his application for registration.

#### Final Order for \$1,000,000 Fine Against Money Transmitter for Unlicensed Activity

On September 2, 2014, the OFR entered a Final Order against Circle K Stores, Inc., for engaging in money services businesses (check cashing) activities in Florida without being licensed. An administrative fine of \$1,000,000 was paid and licensure was granted.

#### Final Order for \$227,125 Fine Against Money Transmitter for Unlicensed Activity

On September 3, 2014, the OFR entered a Final Order against Bill.com, Inc., for engaging in money services businesses (bill payments) activities in Florida without being licensed. An administrative fine of \$227,125 was paid and licensure was granted.

#### Denial of Associated Person

On September 5, 2014, the Division of Securities entered a Final Order against Geoffrey Thomas Genovese, denying his application for registration as an associated person, after he failed to request a hearing. The Final Order follows a Notice of Intent to Deny, which alleged Mr. Genovese made a material misrepresentation or misstatement on his application for registration.

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

On September 5, 2014, the Division of Securities entered a Final Order against Moore Financial Planning Advisors, LLC, and Hugh Anthony Moore for engaging in prohibited business practices by failing to file audited financial statements, maintain required net capital, maintain an accurate Form ADV, send clients itemized invoices and comply with the custody requirements of the Florida Securities and Investor Protection Act, Chapter 517, F. S. A \$9,000 administrative fine was paid.

#### Final Order for Fines Totaling \$8,750 Against an Investment Adviser Firm and Associated Person for Unregistered Activity

On September 5, 2014, the Division of Securities entered a Final Order against Novak & Powell Financial Services, Inc., and David William Novak for engaging in unregistered investment advisory activities. Fines totaling \$8,750 were paid.

Permanent Bar and \$5,000 Fine Against an Insurance Agent for Unregistered Activity

On September 8, 2014, the Division of Securities entered a Final Order against Warren R. Thompson for offering and selling unregistered securities and engaging in securities transactions in Florida without being registered. Mr. Thompson was permanently barred from affiliating or seeking future registration with a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, F. S. A \$5,000 administrative fine was paid.

Final Order for \$7,500 Fine Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On September 12, 2014, the Division of Securities entered a Final Order against 21<sup>st</sup> Century Investing Advisors Corp., and Robert C. Parrish for engaging in prohibited business practices by failing to timely file financial statements, maintain an accurate Form ADV, send clients itemized invoices and comply with the custody requirements of the Florida Securities and Investor Protection Act, Chapter 517, F. S. A \$7,500 administrative fine was paid.

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

On September 24, 2014, the Division of Securities entered a Final Order against DiGiovanni Financial Group, LLC, and Frank Joseph DiGiovanni for engaging in prohibited business practices by failing to prepare and maintain written supervisory procedures, maintain an accurate Form ADV, maintain books and records, file financial statements prepared in accordance with GAAP, send clients itemized invoices and comply with the custody requirements of the Florida Securities and Investor Protection Act, Chapter 517, F. S. A \$15,000 administrative fine was paid.

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

On September 25, 2014, the Division of Securities entered a Final Order against Roberta R. Couri for offering and selling unregistered securities and engaging in securities transactions in Florida without being registered. Roberta R. Couri was permanently barred from affiliating or seeking future registration with a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, F. S. A \$25,000 administrative fine was assessed.

**3. Enforcement Actions**

Miami Beach Man Sentenced to 10 Years in Fraud Case

On August 28, 2014, a jury in Miami-Dade County found Joseph Patrick Fox guilty of second degree grand theft following a three-day trial. Fox was tried on charges related to the sale of investments in his Miami Beach business, Telogenesis, Inc. Fox claimed that Telogenesis had developed an anti-aging "yogurt cream" that reversed the hair loss process in men and restored original hair color. He told investors that their money would be used to fund equipment

purchases as well as pay for labor, testing, advertising and clinical trials of the miracle product dubbed “Igrowhair.” Fox collected approximately \$380,000 from investors throughout Miami-Dade County. Contrary to his claims, the OFR’s investigation revealed that investors’ funds were used to cover Fox’s lavish personal expenses. Fox was sentenced to ten years of imprisonment to be followed by five years of probation. He has been in the custody of the Miami-Dade Corrections Department since his arrest on December 28, 2010, on charges related to this case. He is expected to be transferred to a state prison to serve the remaining portion of his sentence.

[Press Release: Miami Beach Man Sentenced to 10 Years in Fraud Case](#)

#### Two Naples Men Arrested for Roles in Advance Fee for Loan Scheme

On September 12, 2014, Douglas Carter and James Spillers were arrested and charged with grand theft, scheme to defraud, and 18 individual counts of violating Chapter 687.141, F.S., in connection with an elaborate advance fee for loan fraud. Carter and Spillers are accused of assessing and collecting more than \$185,000 in advance fees from prospective borrowers on the promise of obtaining commercial loans. Evidence obtained during the course of the investigation suggests that the loss to prospective borrowers within and outside of the state is likely greater than \$900,000. Simultaneous to the arrests, and with assistance from the Collier County Sheriff’s Office, a search warrant was executed at Carter and Spillers’ home in Naples. From December 2012 through March 2014, Carter and Spillers are alleged to have used websites such as “lendinguniverse.com” to offer loans to prospective borrowers via the internet. They are believed to have victimized over 100 prospective borrowers throughout the U.S. and Canada (with at least 20 in Florida). No loans or refunds have ever materialized. The charges were the result of a joint investigation between OFR and the Volusia County Sheriff’s Office. The Office of Statewide Prosecution is prosecuting the case. The charges filed against the defendants are only an accusation and the defendants are presumed innocent until proven guilty.

[Press Release: Naples Men Arrested in Suspected Advance Fee for Loan Scheme](#)

#### **4. Communications and Outreach Activities**

On August 27, 2014, the OFR issued a press release to remind Floridians that the deadline to file a claim with Ocwen Mortgage is September 15, 2014.

[Press Release: Deadline Approaches for Ocwen Mortgage Claims](#)

On September 4, 2014, members of the Division of Consumer Finance spoke at the Florida Association of Mortgage Professionals (FAMP) Annual Convention and Trade Show in Orlando. Topics discussed included working with the association to promote cooperation in addressing statutory changes, upcoming renewals, enforcement concerns and industry trends. Approximately 75 association members attended the luncheon. According to FAMP, they had a record number of attendees for both the convention and trade show.

On September 10-12, 2014, a member of the Division of Financial Institutions represented the OFR at the NASCUS State System Summit in Nashville, Tennessee.

On September 15, 2014, a member of the Division of Financial Institutions met with University of North Florida, Coggin College of Business officials regarding a recruitment relationship network with the Division of Financial Institutions.

On September 15, 2014, the OFR issued a press release announcing the opening of an international administrative office by Deutsche Bank.

[Press Release: Deutsche Bank Granted State Charter](#)

On September 17, 2014, the OFR issued a consumer alert updating consumers on virtual currency guidance.

[Consumer Alert: Update on Virtual Currency](#)

On September 19, 2014, the OFR issued a consumer alert on a pervasive IRS collection scam.

[Consumer Alert: Pervasive IRS Collection Scam](#)