

GOVERNOR RICK SCOTT

MONTHLY AGENCY ACHIEVEMENT REPORT

OFFICE OF FINANCIAL REGULATION

September 2015

SEPTEMBER ACHIEVEMENTS

1. Monthly Statistics

- Division of Securities
 - Examinations Opened: 15
 - Examinations Closed: 29
 - Complaints Received: 13
 - Complaints Closed: 19
 - Applications Received: 4,266
 - Applications Approved: 4,146
 - Applications Denied/Withdrawn: 60

- Division of Consumer Finance
 - Examinations Opened: 40
 - Examinations Closed: 50
 - Complaints Received: 170
 - Complaints Closed: 157
 - Applications Received: 1,250
 - Applications Approved: 1,221
 - Applications Denied/Withdrawn: 76

- Division of Financial Institutions
 - Examinations Opened: 11
 - Examinations Closed: 11
 - Complaints Received: 61
 - Complaints Closed: 62
 - Applications Received: 1
 - Applications Approved: 11
 - Applications Denied/Withdrawn: 0

- Bureau of Financial Investigations
 - Investigations Opened: 5
 - Investigations Closed: 3

2. Substantial Sanctions and Fines

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

On September 8, 2015, the Division of Securities entered a final order against Reliance Wealth & Trust Partners, LLC, and Bhavesh D. Patel for engaging in prohibited business practices by failing to file audited financial statements, maintain required net capital, timely notify the office of the firm's net capital deficiency and comply with the custody requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. A \$5,000 administrative fine was paid.

Suspension and \$15,000 Fine Against an Associated Person for Unauthorized Discretion

On September 16, 2015, the Division of Securities entered a final order against Scott Allen Sibley for exercising discretion in clients' accounts without the clients' written authority. Pursuant to the final order, Mr. Sibley's registration as an associated person is suspended for 15 days. After the suspension is completed, Mr. Sibley will be subject to a registration agreement. A \$15,000 administrative fine was paid.

Fines Totaling \$26,250 for Unregistered Activity

During the month of September 2015, the Division of Securities fined two associated persons for engaging in unregistered investment advisory activities in the State of Florida. Fines totaling \$26,250 were paid.

3. Enforcement Actions

Former Wellington Resident Found Guilty in \$50 Million Investment Fraud Scheme

On September 3, 2015, following a six-week federal jury trial, Joseph Paul Zada was found guilty of 15 counts of mail fraud for his role in orchestrating and perpetuating a Ponzi scheme that operated for more than 10 years before being discovered in 2009. Zada, who maintained residences in Michigan and Florida, initially preyed on wealthy equestrian sports enthusiasts. 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 and was the financial manager for Russian ice hockey players. The joint FBI/IRS/OFR investigation determined that from 1998 through 2009, Zada sold \$50 million of promissory notes that purported to pay annual rates of return between seven and 12 percent. The investors were led to believe Zada would use their money to invest in oil ventures. An analysis of the bank records revealed that instead of using the investors' money to invest in oil ventures, Zada used the money to support his lavish lifestyle and to pay returns to earlier investors. Zada faces up to 20 years in prison for each of the 15 counts for which he was found guilty. His sentencing is scheduled for November 20, 2015, before U.S. District Judge Kenneth A. Marra.

Two Tampa Men Indicted in Investment Fraud Case

On September 9, 2015, a federal grand jury indictment was unsealed in the U.S. District Court in Tampa, against Timothy M. Roberts and Terrance F. Taylor. The indictment charges Roberts and Taylor with one count each of conspiracy to

commit wire fraud and five counts of wire fraud. The charges stem from their role in the operation of Savtira Corporation Inc., a supposed internet technology firm which operated from 2010 until 2012. Roberts was the CEO and Chairman of the Board of Savtira and Taylor was the Executive Vice President of Finance. The company purported to offer a centralized, cloud-based shopping cart platform for online and traditional retailers to sell goods. Roberts and Taylor are alleged to have sold stocks 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 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 that investors knew nothing about. Contrary to the defendants' alleged 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, leading investors to believe that Savtira had millions in revenue and 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. The two have been released on bond and are set for arraignment before U.S. Magistrate Judge Mark Pizzo in Tampa on September 23, 2015. Simultaneous with the unsealing of the indictment, the SEC filed a separate, civil enforcement action against the defendants, charging them with securities fraud.

[Press Release: Two Ybor City Men Indicted in \\$5.3 Million Investment Fraud](#)

4. Communications and Outreach Activities

On September 03, 2015, the OFR launched a new check cashing database. Florida now requires check cashing businesses to enter into a check cashing database any check cashed in excess of \$1,000 or a daily aggregated amount of more than \$1,000 in checks cashed by one person. With the implementation of the check cashing database, all licensed check cashers are required to use the database no later than October 1, 2015.

[Florida Office of Financial Regulation Announces New Tool to Combat Financial Fraud](#)

On September 10 - 11, 2015, a member of the Division of Financial Institutions participated in a regulator panel at the Florida Bankers' Association's 30th Directors Forum in Naples.

On September 17, 2015, two members of the Division of Financial Institutions represented the OFR at the South Florida Interagency Meeting at the Federal Reserve Bank in Miami.

On September 18, 2015, an opinion editorial by Commissioner Drew Breakspear was featured in the Pensacola News Journal.

[Viewpoint: Fight Financial Fraud](#)