

# GOVERNOR RICK SCOTT

## MONTHLY AGENCY ACHIEVEMENT REPORT

### OFFICE OF FINANCIAL REGULATION

September 2016

#### SEPTEMBER ACHIEVEMENTS

##### 1. Monthly Statistics

- Division of Securities
  - Examinations Opened: 6
  - Examinations Closed: 20
  - Complaints Received: 13
  - Complaints Closed: 16
  - Applications Received: 4,404
  - Applications Approved: 4,417
  - Applications Denied/Withdrawn: 57
  
- Division of Consumer Finance
  - Examinations Opened: 45
  - Examinations Closed: 45
  - Complaints Received: 137
  - Complaints Closed: 119
  - Applications Received: 1,229
  - Applications Approved: 1,205
  - Applications Denied/Withdrawn: 29
  
- Division of Financial Institutions
  - Examinations Opened: 9
  - Examinations Closed: 7
  - Complaints Received: 63
  - Complaints Closed: 31
  - Applications Received: 5
  - Applications Approved: 4
  - Applications Denied/Withdrawn: 0
  
- Bureau of Financial Investigations
  - Investigations Opened: 5
  - Investigations Closed: 0

##### 2. Substantial Sanctions and Fines

Final Order for \$4,000 Fine Against an Investment Adviser Firm and Associated Person for Violations of Rules

On August 29, 2016, the Division of Securities entered a final order against Patterson CPA Group and Christopher Alan Patterson for violations of rules by failing to maintain an accurate Form ADV, maintain an accurate Form U4, file audited financial statements and maintain required books and records in an easily accessible place in its principal office. A \$4,000 administrative fine was paid.

#### Denial of Associated Person Applications

On September 21, 2016, the Division of Securities entered a final order against Michael James Terry denying his applications for registration as an associated person for violations of the Florida Investor Protection Act. Michael James Terry made unsuitable investment recommendations and misrepresented information involving the purchase of a variable annuity. In addition, Michael James Terry did not maintain his form U-4 by failing to disclose compromises with creditors within 30 days of the occurrence. Pursuant to the final order Michael James Terry may not submit a new application for registration for one year; and should Mr. Terry apply for registration with the Division of Securities, his registration shall be subject to restrictions.

#### Fines Totaling \$20,000 for Unregistered Activity

During the month of September 2016, the Division of Securities fined two associated persons for engaging in unregistered investment advisory activities in Florida. Fines totaling \$20,000 were paid.

### **3. Enforcement Results**

#### Miami-Dade Man Surrenders for Role in Alleged Fraud

On August 30, 2016, Salim Lyazidi surrendered to authorities in Miami-Dade County after being charged with organized fraud and grand theft. Lyazidi had been living in California, where he had fled following the issuance of an arrest warrant on July 6, 2016. The charges against Lyazidi resulted from an OFR investigation, which found that Lyazidi, a formerly licensed financial adviser, allegedly misappropriated \$88,746.88 from a retired Miami couple who were Lyazidi's investment clients for more than 10 years. The victims followed Lyazidi after his departure from a previous employer and transferred their accounts to his new employer, Cabot Lodge Securities. The funds were obtained by Lyazidi between May and August of 2103 without the victims' authorization or knowledge. Lyazidi is alleged to have generated false documents authorizing the transfer of the funds and falsified the victims' signatures. The money was deposited into an account controlled by Lyazidi, and analysis of bank records showed that the funds were spent mostly on Lyazidi's personal expenses. When the victims found out about the unauthorized withdrawals, they asked Lyazidi to return their money. Lyazidi did not return any money to the victims and they filed a complaint with his employing firm, FINRA and the OFR. Cabot Lodge Securities conducted an internal investigation which concluded that Lyazidi misappropriated the funds from the victims' retirement accounts and ultimately the firm repaid the \$88,746.88 to the victims. The Miami-Dade County State Attorney's office is prosecuting this case.

### Final Order Issued in Alleged Illegal Advance Fee Collection

On September 9, 2016, the OFR issued a final order against AA Funding Solutions, LLC and Ourmilla Sharma, a Palm Beach County resident for violating Chapter 687, F.S. Sharma was alleged to have assessed and collected an advance fee of \$81,000 from a resident of Texas on the promise of securing a \$600,000 loan to fund the victim's start-up real estate business. The loan did not materialize and the Sharma did not refund the victim's advance fee payment. An administrative complaint noted that AA Funding Solutions, LLC and Sharma charged advance fees in at least three other instances. Neither AA Funding Solutions, LLC nor Sharma was licensed by the OFR as a lender or loan originator at the time of the transaction. The OFR's final order in this matter resulted from a settlement stipulation wherein AA Funding Solutions, LLC and Sharma agreed to cease and desist from future violations of Chapter 687, F.S., pay a \$2,000 fine and accept a ban on licensure for a period of 20 years. This information will be preserved for potential referral to law enforcement should the respondents be found to violate provisions of Chapter 687, F.S., in the future.

### Brothers Plead Guilty to Investment Fraud

On September 13, 2016, Eric Ager and Irwin Ager each pled guilty to charges of conspiracy to commit mail and wire fraud in connection with a fraudulent investment scheme operating as Tri-Med Corporation. The two brothers, together with at least three other co-conspirators, were responsible for orchestrating the scheme which involved the sale of unregistered securities to mostly elderly Florida residents. The securities were said to be backed by purported medical receivables which the pair claimed to have purchased from medical services providers throughout the country. Both Agers marketed and sold the company's securities to hundreds of victims, creating losses of more than \$17 million to investors. The company remains under a court-appointed receivership following an OFR injunctive action. Evidence obtained to date revealed that very few receivables were purchased and the majority of the investors' money was used for the personal benefit of the Agers and other co-conspirators. The Agers' first appearance hearing is expected in two weeks. Criminal enforcement action against other defendants is still pending. This case was developed jointly with the United States Secret Service and is being prosecuted by the United States Attorney's Office in Orlando.

### Miami Woman Arrested for Role in Alleged Mortgage Fraud

On September 21, 2016, Rebecca Gheiler was arrested in Miami after being indicted on one count of conspiracy and six individual counts of defrauding a federally insured financial institution. Gheiler is alleged to have been a significant player in a large mortgage fraud scheme involving dozens of properties located throughout Florida. Properties primarily located in central and south Florida were sold at highly inflated prices to individuals who received large kickbacks from the seller, Tribute Residential, LLC, which was run by Gheiler. The OFR's investigation revealed that the mortgage loans associated with the properties were made to credit-worthy straw buyers, who, without the lenders' knowledge or consent, had been recruited by several co-conspirators to act as borrowers in

exchange for compensation. Inflated property valuations allowed Tribute Residential, LLC to sell the homes for significantly more than market value. Proceeds from the sales were divided amongst the participants in the scheme. This case was part of the U.S. Attorney's Office Middle District of Florida Mortgage Fraud Initiative and was developed jointly by the OFR, FBI and the Federal Housing Finance Agency. Additional indictments are pending.

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

On September 6, 2016, the OFR issued a press release announcing that financial services business are open following Hurricane Hermine.

[Press Release: Florida State-Chartered Financial Institutions Open for Business Tuesday](#)

On September 8, 2016, two members of the Division of Financial Institutions attended the FBA Annual meeting in Sarasota. Additionally, one of the members participated on the regulator panel.

On September 13, 2016, the OFR issued a consumer alert on managing finances after the death of a loved one.

[Consumer Alert: Managing Finances After the Death of a Loved One](#)