

GOVERNOR RICK SCOTT

MONTHLY AGENCY ACHIEVEMENT REPORT

OFFICE OF FINANCIAL REGULATION

November 2016

NOVEMBER ACHIEVEMENTS

1. Monthly Statistics

- Division of Securities
 - Examinations Opened: 29
 - Examinations Closed: 16
 - Complaints Received: 10
 - Complaints Closed: 17
 - Applications Received: 3,369
 - Applications Approved: 3,349
 - Applications Denied/Withdrawn: 41

- Division of Consumer Finance
 - Examinations Opened: 23
 - Examinations Closed: 25
 - Complaints Received: 121
 - Complaints Closed: 118
 - Applications Received: 1,331
 - Applications Approved: 1,393
 - Applications Denied/Withdrawn: 47

- Division of Financial Institutions
 - Examinations Opened: 9
 - Examinations Closed: 20
 - Complaints Received: 4
 - Complaints Closed: 29
 - Applications Received: 41
 - Applications Approved: 5
 - Applications Denied/Withdrawn: 10

- Bureau of Financial Investigations
 - Investigations Opened: 19
 - Investigations Closed: 7

2. Substantial Sanctions and Fines

Final Order for \$17,500 Fine Against an Investment Adviser Firm and Associated Person for Violations of Rules

On October 27, 2016, the Division of Securities entered a final order against The Alyri Corporation d/b/a The Ducoat Financial Group and Bradley Adam Ducoat for violations of rules by failing to maintain an accurate Form ADV, maintain an accurate Form U4, maintain required net capital, timely notify the OFR of the firm's net capital deficiency, send clients itemized invoices, maintain true and accurate investment advisory contracts and comply with the custody and safekeeping requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. A \$17,500 administrative fine was paid.

Final Order for \$7,500 Fine Against an Investment Adviser Firm and Associated Person for Violations of Rules

On November 1, 2016, the Division of Securities entered a final order against Tatco Private Wealth Management, LLC and Tarkan Toksu for violations of rules by failing to maintain an accurate Form ADV, send client itemized invoices, maintain written client advisory agreements, file audited financial statements, maintain written investment advisory client suitability information for all of its clients and maintain books and records in the firm's principal office. A \$7,500 administrative fine was paid.

Denial of Applications

From October 27 to November 29, 2016, the Division of Securities denied four associated person applications for registration. The notices of intent to deny, in each case, alleged that the applicant made a material misrepresentation or misstatement on their application for registration as an associated person.

Fines Totaling \$27,480 for Unregistered Activity

During the month of November 2016, the Division of Securities fined one firm and two associated persons for engaging in unregistered securities business activities in the state of Florida. Fines totaling \$27,480 were paid.

3. Enforcement Actions

Miami Area Loan Broker Arrested in Alleged Advance Fee for Loan Fraud

On October 25th, 2016, Benjamin John Crozier was arrested on a charge of conspiracy to commit wire fraud and four counts of wire fraud based on a federal grand jury indictment entered against him on September 29, 2016. The indictment alleges that from June 2011 through June 2012, Crozier orchestrated an advance fee for loan scheme through which he falsely obtained money from individuals throughout the United States and Canada. The advance fee payments were obtained from prospective borrowers who sought loans to develop various business projects. Crozier is alleged to have made a number of fraudulent representations to these individuals, including that he had the ability to fund the individuals' projects, that the loans could be paid off after 10 years and that he had a working relationship with Banco Santander, a Spanish bank with correspondent banking offices in Florida. Crozier charged the potential borrowers "retainer fees" ranging from \$5,000 to \$20,000, which he guaranteed to refund after 12 months if he could not provide funding for the projects. In order to lure

borrowers into paying the retainer fees, Crozier operated a website through which he represented that Capital Finance Group, LLC had the ability to secure funding from “all over the world” for projects in the United States. Crozier also told borrowers that they could terminate their contracts and receive a full refund of their retainer fees within 48 hours. Despite these representations, none of the prospective borrowers received refunds of their advance fees. This joint OFR/HSI investigation found that Crozier did not have the ability to fund any of the borrowers’ projects and did not have connections with any national or international financial firms that could provide funding for the borrowers’ projects. A review of Crozier’s bank account revealed that Crozier and his co-conspirators received approximately \$928,638 from borrowers, which they used for their personal benefit. The OFR worked jointly with U.S. Immigrations and Customs Enforcement’s Department of Homeland Security Investigations in bringing this criminal enforcement action.

Former Fugitive Defendant Sentenced to 55 Months in Federal Prison for Role in Fraudulent Investment Scheme

On October 27, 2016, Abraham Shraga Gutterman was sentenced by a federal court in Miami to serve 55 months in prison for his role in a fraudulent precious metals and stock offering scheme. Gutterman was arrested in June 2016 by Panamanian authorities as a result of an outstanding international arrest warrant issued by the United States Department of Justice. Subsequently, the Panamanian authorities extradited Gutterman to Miami where he has been held without bond. From January 2010 to July 2010, in Miami-Dade County and elsewhere, Gutterman conspired with co-defendant Walter Caceres and others to defraud investors by making material misrepresentations in connection with their company, Venture Trading and Investments, LLC. Specifically, Gutterman convinced Caceres to serve as the corporate officer of three companies, Venture Trading and Investments LLC, US Coins & Metals LLC and Global Funding Wealth Management, LLC. In that capacity, Caceres, under the direction of Gutterman, controlled the corporate bank account of Venture Trading and Investments LLC, where investors’ money was pooled. Caceres disbursed about 50 percent of investors’ funds for the benefit of Gutterman. Gutterman solicited investors by making telephone calls and by hiring other individuals to solicit investors by telephone. During these investor telephone solicitations, Gutterman and others used aliases to hide their true identities and lie to potential investors when they claimed to have had an existing investor-client relationship. Gutterman and others told investors that they could make money by purchasing gold options because the price of gold could rise, or by purchasing pre-IPO stock in Global Funding Wealth Management, LLC because the stock of that company was going to triple in price once it went public. Bank records showed that investors’ money was not used to purchase any gold options or any pre-IPO stock. Instead, Gutterman and his co-conspirators used investor funds for other purposes, including for their own personal use and benefit. On December 3, 2015, co-defendant Walter Caceres was sentenced to a 30-month prison term to be followed by three years of probation. The sentence followed Caceres’ guilty plea

to one count of conspiracy to commit wire fraud in violation of Title 18, United States Code, Section 1349. Caceres was also ordered to pay \$605,900 in restitution to victims.

4. Communications and Outreach Activities

On October 24, 2016, two members of the Division of Financial Institutions represented the OFR at the interagency meeting hosted by the FDIC in Atlanta, Georgia.

On October 27, 2016, a member of the Division of Financial Institutions represented the OFR at the South Florida interagency meeting hosted by the FRB Atlanta Miami Branch in Miami.

On October 31, 2016, the OFR issued a press release regarding the adoption of the Uniform State Test for mortgage loan originators.

[Press Release: Office of Financial Regulation Adopts Uniform State Test for Mortgage Loan Originators](#)

On November 1, 2016, the OFR issued a press release regarding the sentencing of Abraham Gutterman for his role in a fraudulent precious metals and stock offering scheme.

[Press Release: Duo to Serve Time for South Florida Investment Scam](#)