

GOVERNOR RICK SCOTT

MONTHLY AGENCY ACHIEVEMENT REPORT

OFFICE OF FINANCIAL REGULATION

DECEMBER 2013

DECEMBER ACHIEVEMENTS

1. Monthly Statistics

- Division of Securities
 - Examinations Opened: 34
 - Examinations Closed: 17
 - Complaints Received: 12
 - Complaints Closed: 32
 - Applications Received: 2,867
 - Applications Approved: 2,949
 - Applications Denied/Withdrawn: 46

- Division of Consumer Finance
 - Examinations Opened: 40
 - Examinations Closed: 52
 - Complaints Received: 264
 - Complaints Closed: 261
 - Applications Received: 2,497
 - Applications Approved: 2,490
 - Applications Denied/Withdrawn: 86

- Division of Financial Institutions
 - Examinations Opened: 10
 - Examinations Closed: 7
 - Complaints Received: 50
 - Complaints Closed: 54
 - Applications Received: 7
 - Applications Approved: 4
 - Applications Denied/Withdrawn: 2

- Bureau of Financial Investigations
 - Investigations Opened: 14
 - Investigations Closed: 21

2. Substantial Sanctions

Denial of Loan Originator Application

On December 5, 2013, the Division of Consumer Finance entered a Final Order, denying the loan originator application for Stacey James Blake. In 2005 the Security and Exchange Commission barred Mr. Blake from association with any

broker dealer and ordered him to pay a fine of \$275,594 and an additional \$50,000 penalty for selling unregistered securities.

Final Order against an Unregistered Issuer Dealer to Cease and Desist

On December 5, 2013, the Division of Securities entered a Final Order against Mid-Hudson Valley Rural Broadband Company Inc. and Anthony E. Ramos for offering unregistered securities and engaging in unregistered issuer dealer activities. Mid-Hudson Valley Rural Broadband Company Inc. and Anthony E. Ramos shall cease and desist from violations Florida Securities and Investor Protection Act, Chapter 517, Florida Statutes.

Final Order for \$18,750 Fine against an Associated Person for Unregistered Activity

On December 12, 2013, the Division of Securities entered a Final Order against Benjamin C. Roberts for engaging in unregistered investment advisory activities. An \$18,750 administrative fine was paid.

Final Order for \$7,500 Fine against an Associated Person for Unregistered Activity

On December 12, 2013, the Division of Securities entered a Final Order against David Xin Li for engaging in unregistered investment advisory activities. A \$7,500 administrative fine was paid.

Final Order for \$15,000 Fine against an Investment Adviser and Associated Person for Unregistered Activity

On December 23, 2013, the Division of Securities entered a Final Order against Ronda Simon Morganstein and Stifel, Nicolaus & Company for engaging in unregistered investment advisory activities. A \$15,000 administrative fine was paid.

3. Enforcement Actions

Guilty Plea in Mortgage Fraud Case

On December 4, 2013, defendant Avi Levy pled guilty in federal court to one count of conspiracy to commit wire fraud for his role in an elaborate mortgage fraud scheme involving properties in Central and South Florida. Levy, in concert with others, bought or facilitated the sale of condominium units at highly inflated prices, funding the purchases through mortgage loans obtained from various financial institutions. These mortgage loans were made to credit-worthy straw buyers, who, without the lenders' knowledge or consent, had been recruited by Levy to act as borrowers in exchange for compensation. The inflated property valuations allowed for the sellers in the transactions, also co-conspirators in the scheme, to obtain the loan proceeds that would then be divided among the scheme's participants. Levy conspired with others to falsify settlement statements and mortgage loan applications and received substantial kickbacks from the sellers that were disguised as "marketing fees." Levy's activities alone resulted in greater than \$3.6 million in losses. Further indictments are expected. Levy's sentencing date has not been set. This investigation was part

of the U.S. Attorney's Middle District of Florida Mortgage Fraud Initiative and was developed jointly with the FBI and the Federal Housing Finance Agency.

Seven Charged in Investment Fraud Scheme

Between December 10th and 13th, 2013, seven defendants were charged and arrested for their involvement in a telemarketing, unregistered securities scheme run by FMN Holdings, LLC. The defendants are Eddy Ubaldo Marin, Kenneth Jason Saluk, Roberto Alford, Farrell Jeanty, Peter Lanceaul and Andrew Waldman. A detainer was filed against Christopher Fardella, who is currently incarcerated on another securities case. Further arrests are anticipated in connection with this case for others working in this boiler room to include Steven Shine, Christopher Ryan Fardella a/k/a Chris Ryan, Joseph William Fete, Edward George Ozimkowski, Peter Nicholas Tagliaferro, Christopher Scott Acosta and Joseph Soto III. These individuals have been charged with multiple felony counts, including violations of the Florida Racketeer Influenced and Corrupt Organizations Act (RICO Act) and the Florida Securities and Investor Protection Act. This investigation started from a complaint received in September 2009 in the Fort Lauderdale Regional Office from an 81 year old resident of Nebraska, who alleged he was the victim of an investment fraud. The complainant said that he was cold called and talked into investing \$350,000 for stock and he did not receive any stock certificates. This investigation revealed FMN Holdings, LLC was never licensed to sell securities in the state of Florida and the defendants are accused of making unauthorized sales of stock in various companies, taking in more than \$3 million from 130 investors. This investigation found that from April through September 2009, FMN Holdings, LLC allegedly offered and sold stock in two companies, Helix Wind, Inc. and Green LED Technology, LLC. Helix Wind, Inc. was allegedly a seller of wind turbines based in Poway, California and Green LED Technology, LLC was allegedly a seller of LED lighting based in Dania, Florida. Neither stock was registered, or exempt from registration, under Florida law. FMN Holdings, LLC and the defendants were not licensed with the state of Florida to engage in the sale or promotion of securities. The investigation revealed that FMN Holdings, LLC never disbursed any funds to Helix Wind, Inc. or to Green LED Technology, LLC for the sale of their stock. Instead, after receiving the money from the investors, the defendants allegedly used it for their own personal benefit.

[Six Charged in Investment Fraud Resulting in \\$3 Million in Losses to Investors](#)

On December 19, 2013, the OFR and the Florida Attorney General's Office announced a \$2.1 billion State-Federal settlement with Ocwen Financial Corporation and its subsidiary, Ocwen Loan Servicing. The settlement resolves allegations of mortgage servicing misconduct by Ocwen and two companies later acquired by Ocwen.

[Attorney General Bondi and OFR Commissioner Breakspear Announce \\$2.1 Billion State-Federal Settlement with Ocwen Mortgage](#)

On December 23, 2013, the OFR with the Florida Attorney General's Office filed suit against online consumer finance companies Western Sky Financial, CashCall, related companies and their owner John Paul Reddam. The suit

alleges that the companies charged interest rates ranging from 95 percent to 169 percent and annual percentage rates from 139.13 percent to 331.38 percent to more than 6,000 Florida borrowers.

[Attorney General Bondi and OFR Commissioner Breakspear Sue Consumer Finance Companies for Illegal Interest and Annual Percentage Rates](#)