

GOVERNOR RICK SCOTT

WEEKLY AGENCY REPORT

OFFICE OF FINANCIAL REGULATION

WEEK ENDING FEBRUARY 2, 2017

Successes for Week Ending February 2, 2017

1. Licensing and Registration

- Division of Securities
 - Applications Received: 1,135
 - Applications Approved: 1,106
 - Applications Denied/Withdrawn: 10

- Division of Consumer Finance
 - Applications Received: 727
 - Applications Approved: 974
 - Applications Denied/Withdrawn: 14

- Division of Financial Institutions
 - Applications Received: 1
 - Applications Approved: 1
 - Applications Denied/Withdrawn: 2

2. Regulatory Actions

Final Order for \$56,600 and Revocation Against a Consumer Collection Agency from Licensure for Prohibited Business Practices

On January 23, 2017, the Division of Consumer Finance entered a final order against Fortress Management Services, LLC and Lynne Hernandez for failing to provide a written response to the OFR within 45 days after receipt of a written request for information concerning three consumer complaints and for failure to timely pay a previous fine imposed by the OFR.

Final Order Barring a Check Casher from Licensure for Unlicensed Activity

On January 25, 2017, the Division of Consumer Finance entered a final order against Chadi Barakat, Inc., d/b/a Speedway Food Store and Chadi Barakat for conducting business as a check casher without a license.

Final Order for \$7,500 Fine Against a Broker Dealer Firm for Violations of Rules

On January 30, 2017, the Division of Securities entered a final order against USA Financial Securities Corporation for violations of rules by failing to follow the firm's written supervisory procedures, maintain a registered representative Form U-4 and maintain the Form BR (Branch Office) to accurately reflect other

business names that conducted investment-related activities at its Florida branch office. A \$7,500 administrative fine was paid.

3. Enforcement Results

Flagler Beach Former Pastor Convicted of Investment Fraud

On January 26, 2017, following a three-day trial in Flagler County Circuit Court, a jury returned a guilty verdict against Wesley Alan Brown on 19 felony charges including the sale of unregistered securities, the sale of securities by an unregistered dealer, securities fraud, theft and organized scheme to defraud. From December 2010 through June 2012, Brown, a former associate pastor at a Flagler Beach area church, solicited church members to invest in the stock of Maverick International, Inc. Brown told investors that Maverick was a diversified private company located in Delaware that invested in precious metals and commodities. He also told investors that he invested in the company himself and that the investments had no risk and high potential for growth. Brown did not make any other disclosures to investors as required by law. In or around October 2012, Brown informed investors that their entire investment in Maverick was lost due to a collapse of a third-party commodities brokerage firm that held Maverick's investments. The investigation revealed, however, that Maverick, which was operated by Brown's brother-in-law, invested in highly speculative commodities futures and suffered substantial losses as a result of unsuccessful trading. Additionally, it was determined that Brown deposited at least \$60,000 of investors' money directly into his personal account in the name of "Wesley Alan Brown DBA Maverick International," and used the funds for his personal expenses. Bank records also revealed that Maverick paid Brown's credit card bills totaling more than \$84,000. The investigation did not find evidence that Brown invested any of his own funds in Maverick as represented to investors. Following the trial, Brown was remanded into the custody of the Flagler County Jail to await sentencing. A sentencing hearing is tentatively scheduled for March 2017. Brown is facing up to five years in prison for each felony conviction related to the securities and theft charges. Additionally, Brown is facing up to 30 years in prison for the conviction in the organized scheme to defraud charge. This investigation was conducted in conjunction with the Flagler County Sheriff's Office, the Flagler County State Attorney's Office and the Commodities Futures Trading Commission. The case was prosecuted by the State Attorney's Office, 7th Judicial Circuit, Flagler County.

Unlicensed Debt Collector Pleads Guilty to Fraud

On January 30, 2017, Robert Dana Brown, formerly of Ft. Myers, entered a guilty plea in Lee County Circuit Court to a charge of communications fraud. Brown was arrested in June of 2015, for his role in a scheme to defraud homeowners' associations (HOAs) in Lee County by claiming to provide the services of a debt collector but failing to remit payments to his clients as required by law. Brown received a withhold of adjudication and was sentenced to time served and two years of probation. Brown was also ordered to pay cash restitution of more than \$105,135 to 12 HOAs and agreed to never again act as a debt collector in

Florida. Brown was previously licensed as a debt collector from 2008 to 2012. In his role as president and owner of Leading Association Solutions, Inc., (a formerly licensed consumer collection agency), Brown collected at least \$56,000 in outstanding homeowners' association dues on behalf of three HOAs in Lee and Collier Counties. Brown was further alleged to have failed to remit those collected funds to their rightful owners. On July 2, 2014, Circuit Judge Keith Kyle of Lee County issued a search warrant for the seizure of more than \$180,000 maintained by Brown at First Citizens Bank in Ft. Myers. All funds seized were shown to have been derived from Brown's consumer collection activities. The investigation revealed that from 2008 to 2012, Leading Association Solutions collected more than \$4 million from more than 400 client accounts to satisfy property liens held on behalf of the HOAs. The investigation also revealed that Brown owed more than \$48,000 to an additional nine HOAs that did not file a complaint and possibly were not aware of the money owed them. The OFR was the lead investigative agency in this matter working in conjunction with the Lee County Sheriff's Office. The U.S. Marshalls Service in Seattle effected Brown's arrest. The case was prosecuted by the State Attorney's Office, 20th Judicial Circuit for Lee County.

New Issues

1. Communications and Outreach Activities

On January 26, 2017, a member of the Division of Financial Institutions participated on a safety and soundness seminar regulatory panel held by the Florida Bankers Association.

On January 27, 2017, the OFR released a press release regarding the conviction of a Flagler Beach former pastor for investment fraud.

[Press Release: Former Associate Pastor Convicted of Investment Fraud](#)

On February 1, 2017, the OFR released a press release regarding the guilty plea of an unlicensed debt collector for fraud.

[Press Release: Unlicensed Debt Collector Pleads Guilty to Fraud](#)