

# GOVERNOR RICK SCOTT

## WEEKLY AGENCY REPORT

### OFFICE OF FINANCIAL REGULATION

WEEK ENDING APRIL 9, 2015

#### Successes for Week Ending April 9, 2015

#### 1. Licensing and Registration

- Division of Securities
  - Applications Received: 1,091
  - Applications Approved: 1,009
  - Applications Denied/Withdrawn: 15
  
- Division of Consumer Finance
  - Applications Received: 234
  - Applications Approved: 243
  - Applications Denied/Withdrawn: 7
  
- Division of Financial Institutions
  - Applications Received: 0
  - Applications Approved: 1

#### 2. Regulatory Actions

##### Denial of Associated Person

On April 3, 2015, the Division of Securities entered a final order against Caner Otari, denying his application for registration as an associated person, after he failed to request a hearing. The final order follows a notice of intent to deny, which alleged Caner Otari made a material misrepresentation or misstatement on his application for registration.

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

On April 3, 2015, the Division of Securities entered a final order against Inspire Capital Management, LLC, and Michael McKee for engaging in prohibited business practices by failing to maintain an accurate Form ADV, send clients itemized invoices, maintain an accurate advisory agreement and to comply with the custody requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. A \$5,000 administrative fine was paid.

##### Permanent Bar and \$45,000 Fine Against an Associated Person for Prohibited Business Practices

On April 3, 2015, the Division of Securities entered a final order against Jamie D. Pope, permanently barring Mr. Pope from registration with the office, after he

failed to request a hearing. The final order follows an administrative complaint, which alleged Jamie D. Pope engaged in prohibited business practices by borrowing money from customers and engaging in private securities transactions with without approval from his employing broker dealer firm. An administrative fine of \$45,000 was assessed.

### **3. Enforcement Actions**

#### **South Florida Man Sentenced to Five Years in Prison for Role in Investment Fraud Scheme**

On Tuesday, April 7, 2015, the Honorable Stephen A. Rapp, Circuit Judge, 15th Judicial Circuit, sentenced Michael Hardman to five years in prison for each of the two counts of grand theft. On Friday, February 13, 2015, Hardman was convicted by a jury in Palm Beach County of two counts of grand theft for his role in defrauding more than thirty Florida victims in a fraudulent promissory note scheme. The joint OFR and Palm Beach County Sheriff's Office investigation found that Hardman collected more than \$1.75 million dollars from his victims, some of whom were elderly clients of his deceased father's securities brokerage business and others were members of his Alcoholics Anonymous group. Hardman formed a company called Tech Support Systems and issued vague promissory notes promising returns as high as 7.5 percent. He used his company as the note issuer but could never explain to any of his investors what this company actually did. The notes offered his personal guarantee, but most of the investors lost their life's savings. Hardman is a formerly licensed Investment Advisor whose license terminated in 2003. The activity at issue occurred between 2007 and 2010. This OFR investigation was developed jointly with the Palm Beach County Sheriff's Office. The Palm Beach County State Attorney's Office prosecuted the case.

#### **New Issues**

No new issues to report this week.