

GOVERNOR RICK SCOTT

WEEKLY AGENCY REPORT

OFFICE OF FINANCIAL REGULATION

WEEK ENDING JULY 17, 2014

Successes for Week Ending July 17, 2014

1. Licensing and Registration

- Division of Securities
 - Applications Received: 1,104
 - Applications Approved: 1,079
 - Applications Denied/Withdrawn: 10

- Division of Consumer Finance
 - Applications Received: 189
 - Applications Approved: 226
 - Applications Denied/Withdrawn: 11

- Division of Financial Institutions
 - Applications Received: 15
 - Applications Approved: 4
 - Applications Denied/Withdrawn: 0

2. Regulatory Actions

Permanent Bar and \$65,000 Fine Against an Unregistered Associated Person for Fraud

On July 3, 2014, the Division of Securities entered a Final Order against Christopher John Borgo, permanently barring Mr. Borgo from registration with the Office, after he failed to timely request a hearing. The Final Order follows an Administrative Complaint, which alleged Christopher John Borgo offered and sold unregistered securities, engaged in securities transactions in Florida without being registered and conducted fraudulent securities transactions. An administrative fine of \$65,000 was assessed.

Final Order for \$6,000 Fine Against an Associated Person for Unregistered Activity

On July 11, 2014, the Division of Securities entered a Final Order against Daniel Doyce Payne for engaging in unregistered investment advisory activities. A \$6,000 administrative fine was paid.

Revocation and \$53,500 Fine Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On July 11, 2014, the Division of Securities entered a Final Order against

Brick Investment Advisors, LLC, and Raul Matias Del Solar, revoking their registration with the Office, after they failed to request a hearing. The Final Order follows an Administrative Complaint, which alleged Brick Investment Advisors, LLC, and Raul Matias Del Solar engaged in prohibited business practices by failing to file audited financial statements, maintain an accurate Form ADV, maintain required net capital and send clients itemized invoices. An administrative fine of \$53,500 was assessed.

Final Order for \$6,004 Fine Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On July 11, 2014, the Division of Securities entered a Final Order against USA-LIVING.COM, Inc., and David Snellen for engaging in prohibited business practices by failing to timely file financial statement, failing to send clients itemized invoices and publishing advertisements containing misleading materials facts. A \$6,004 administrative fine was paid.

Permanent Bar Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On July 11, 2014, the Division of Securities entered a Final Order against BER Financial Group LLC, and Barry Rabinowitz for engaging in prohibited business practices by failing to maintain an accurate Form ADV and Form U-4, maintain books and records and have written supervisory procedures. BER Financial Group LLC, and Barry Rabinowitz were permanently barred from seeking future registration as a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, F. S.

3. Enforcement Actions

Guilty Plea Entered in Investment Fraud Case

On June 18, 2014, Matthew Ionno agreed to enter a plea of guilty to one count of conspiracy to commit wire fraud for his role in the operation of Traders Café. Traders Café, located in downtown Tampa, offered a purported trading platform and a 20 to 1 leverage ratio to day traders identified through social media and internet websites. Traders Café was established in July 2012 by Matthew Ionno and his business partner. Ionno and his partner represented to traders that they had a proprietary trading platform, that Traders Café maintained a secured escrow account and designated trading accounts that would be established for clients. Ionno did not inform clients that funds would be used to cover costs of operations expenses and for personal enrichment. A total of \$473,000 was transferred to a bank account in the name of Traders Café. The funds were not placed into a designated trading account, but rather used to cover operational expenses of the Company and personal expenses of Ionno and his partner. Traders Café and Ionno were not registered with the OFR in any capacity. This investigation was developed jointly with the FBI. The U.S. Attorney's Office in Tampa is prosecuting the case.

Assistant Pastor Charged in Investment Fraud Scheme

On July 14, 2014, Wesley Alan Brown was arrested in North Carolina for his alleged role in a fraudulent investment scheme carried out in Flagler County, Florida. Brown is charged with sale of unregistered securities, securities fraud, grand theft and sale of securities by an unregistered dealer. This investigation, conducted by the OFR and the Flagler County Sheriff's Office, determined that from December 2010 through June 2012, Brown sold unregistered securities exceeding \$395,000 to at least six people. Brown, who at the time was an assistant pastor at a local church, purportedly misled investors and improperly used a portion of their funds for his own benefit. The charges filed against the defendant are only an accusation and the defendant is presumed innocent until proven guilty. The case is being prosecuted by the State Attorney's Office, 7th Judicial Circuit, Flagler County.

New Issues

No new issues to report this week.