

# GOVERNOR RICK SCOTT

## WEEKLY AGENCY REPORT

### OFFICE OF FINANCIAL REGULATION

WEEK ENDING SEPTEMBER 1, 2016

#### Successes for Week Ending September 1, 2016

#### 1. Licensing and Registration

- Division of Securities
  - Applications Received: 1,333
  - Applications Approved: 1,307
  - Applications Denied/Withdrawn: 5
  
- Division of Consumer Finance
  - Applications Received: 504
  - Applications Approved: 510
  - Applications Denied/Withdrawn: 18
  
- Division of Financial Institutions
  - Applications Received: 1
  - Applications Approved: 0
  - Applications Denied/Withdrawn: 0

#### 2. Regulatory Sanctions

##### Final Order for \$4,000 Fine Against an Investment Adviser Firm and Associated Person for Violations of Rules

On August 29, 2016, the Division of Securities entered a final order against Patterson CPA Group and Christopher Alan Patterson for violations of rules by failing to maintain an accurate Form ADV, maintain an accurate Form U4, file audited financial statements and maintain required books and records in an easily accessible place in its principal office. A \$4,000 administrative fine was paid.

#### 3. Enforcement Results

##### Man Sentenced for Role in Ponzi Scheme

On August 23, 2016, Christopher Maguire was sentenced in federal court to 10 years in prison for wire fraud and engaging in monetary transactions derived from unlawful activity. The sentence follows his guilty plea to the charges on May 18, 2016. In addition to the prison sentence, the court also entered a judgment in the amount of \$4,938,574.40, which represents the proceeds of the criminal conduct. On September 22, 2015, a sealed criminal indictment was brought against Maguire by a federal grand jury in Tampa and he was arrested in New Hampshire on November 20, 2015. The indictment charged Maguire with 16

counts of wire fraud, four counts of money laundering and one count of interstate transportation of stolen property for his role in the scheme. The case against Maguire was developed based on allegations that he had been running a Ponzi scheme since 2002. The investigation found that in that time, Maguire received more than \$10 million from more than 150 investors whom he solicited through church organizations. Maguire told investors that their money would be used in a “proof of funds” business to facilitate hard money loans for other businesses. The investigation revealed, however, that rather than using new investor funds for business purposes, Maguire used the funds to pay returns to existing investors and misappropriated more than \$4 million. No evidence was found to support any of Maguire’s representations to investors concerning the proof of funds business. This case was developed jointly with the IRS and the U.S. Secret Service and was prosecuted by the U.S. Attorney’s Office for the Middle District of Florida. This case was opened by the OFR based on proactive searches of BSA data.

#### Largo Man Pled Guilty to Grand Theft

On August 23, 2016, Gary L. Gauthier, formerly of Largo, pled guilty to two counts of grand theft, in the 2nd and 3rd degrees. Gauthier was sentenced to 12 years of probation on the 2nd degree grand theft charge and five years of probation on the 3rd degree grand theft charge. The probation sentences are to be served concurrently. Gauthier was also ordered to pay \$60,000 in restitution to his victims. Gauthier’s sentence follows a March 5, 2015, arrest at his home in Michigan following a three-month OFR investigation into a fraudulent business development scheme that resulted in \$60,000 in losses to a Florida victim and his family. Gauthier was the orchestrator of the scheme. Through his company, GB Marketing, LLC, Gauthier offered a Tampa area sports apparel business the opportunity to obtain marketing services that would enhance and grow the enterprise. According to the business owner and victim of this scheme, Gauthier offered him an opportunity to raise funds through a private placement offering in connection with the purchase of a shell company in exchange for an \$85,000 investment. The victim raised the funds with help from family and friends, placing \$25,000 in escrow and paying the rest directly to Gauthier. A review of the bank records related to Gauthier’s company revealed that none of the \$60,000, that was placed with Gauthier, was used to promote the victim’s business or to purchase a shell company. Instead, the money was used by Gauthier for personal lifestyle expenses including retail purchases, travel and recreation expenses. Gauthier is the subject of another OFR investigation involving investments in an alleged fraudulent real estate offering. He was arrested in relation to that case in January 2014. Gauthier is alleged to have promoted himself on the radio as an “investment banker” who could help develop a product or idea by raising private equity money, marketing the product and taking the company public. This investigation was developed jointly with the Florida Department of Law Enforcement and was opened as a result of a victim complaint to the OFR. The Office of Statewide Prosecution prosecuted the case.

**1. Communications and Outreach Activities**

On August 23, 2016, a member of the Division of Financial Institutions participated in an industry roundtable at the Florida International Banking Association regarding examination audits held in Miami.

On August 25, 2016, a member of the Division of Financial Institutions co-presented at the Annual Investment Seminar Conference in Orlando.