

GOVERNOR RICK SCOTT

WEEKLY AGENCY REPORT

OFFICE OF FINANCIAL REGULATION

WEEK ENDING SEPTEMBER 29, 2016

Successes for Week Ending September 29, 2016

1. Licensing and Registration

- Division of Securities
 - Applications Received: 1,183
 - Applications Approved: 1,083
 - Applications Denied/Withdrawn: 22

- Division of Consumer Finance
 - Applications Received: 221
 - Applications Approved: 235
 - Applications Denied/Withdrawn: 13

- Division of Financial Institutions
 - Applications Received: 1
 - Applications Approved: 0
 - Applications Denied/Withdrawn: 0

2. Regulatory Sanctions

Denial of Associated Person Applications

On September 21, 2016, the Division of Securities entered a final order against Michael James Terry denying his applications for registration as an associated person for violations of the Florida Investor Protection Act. Michael James Terry made unsuitable investment recommendations and misrepresented information involving the purchase of a variable annuity. In addition, Michael James Terry did not maintain his form U-4 by failing to disclose compromises with creditors within 30 days of the occurrence. Pursuant to the final order Michael James Terry may not submit a new application for registration for one year; and should Mr. Terry apply for registration with the Division of Securities, his registration shall be subject to restrictions.

3. Enforcement Results

Brothers Plead Guilty to Investment Fraud

On September 13, 2016, Eric Ager and Irwin Ager each pled guilty to charges of conspiracy to commit mail and wire fraud in connection with a fraudulent investment scheme operating as Tri-Med Corporation. The two brothers, together with at least three other co-conspirators, were responsible for orchestrating the scheme which involved the sale of unregistered securities to mostly elderly

Florida residents. The securities were said to be backed by purported medical receivables which the pair claimed to have purchased from medical services providers throughout the country. Both Agers marketed and sold the company's securities to hundreds of victims, creating losses of more than \$17 million to investors. The company remains under a court-appointed receivership following an OFR injunctive action. Evidence obtained to date revealed that very few receivables were purchased and the majority of the investors' money was used for the personal benefit of the Agers and other co-conspirators. The Agers' first appearance hearing is expected in two weeks. Criminal enforcement action against other defendants is still pending. This case was developed jointly with the United States Secret Service and is being prosecuted by the United States Attorney's Office in Orlando.

Miami Woman Arrested for Role in Alleged Mortgage Fraud

On September 21, 2016, Rebecca Gheiler was arrested in Miami after being indicted on one count of conspiracy and six individual counts of defrauding a federally insured financial institution. Gheiler is alleged to have been a significant player in a large mortgage fraud scheme involving dozens of properties located throughout Florida. Properties primarily located in central and south Florida were sold at highly inflated prices to individuals who received large kickbacks from the seller, Tribute Residential, LLC, which was run by Gheiler. The OFR's investigation revealed that the mortgage loans associated with the properties were made to credit-worthy straw buyers, who, without the lenders' knowledge or consent, had been recruited by several co-conspirators to act as borrowers in exchange for compensation. Inflated property valuations allowed Tribute Residential, LLC to sell the homes for significantly more than market value. Proceeds from the sales were divided amongst the participants in the scheme. This case was part of the U.S. Attorney's Office Middle District of Florida Mortgage Fraud Initiative and was developed jointly by the OFR, FBI and the Federal Housing Finance Agency. Additional indictments are pending.

New Issues

No new issues to report this week.