

# GOVERNOR RICK SCOTT

## WEEKLY AGENCY REPORT

### OFFICE OF FINANCIAL REGULATION

WEEK ENDING OCTOBER 8, 2015

#### Successes for Week Ending October 8, 2015

#### 1. Licensing and Registration

- Division of Securities
  - Applications Received: 1,100
  - Applications Approved: 1,092
  - Applications Denied/Withdrawn: 15
  
- Division of Consumer Finance
  - Applications Received: 508
  - Applications Approved: 507
  - Applications Denied/Withdrawn: 51
  
- Division of Financial Institutions
  - Applications Received: 2
  - Applications Approved: 0
  - Applications Denied/Withdrawn: 0

#### 2. Regulatory Sanctions

##### Denial of Associated Person

On September 30, 2015, the Division of Securities entered a final order against David Aaron Rockwell denying his application for registration as an associated person for making a material misrepresentation or misstatement on his application for registration.

##### Final Order for \$12,001 Fine Against a Broker Dealer Firm and Associated Person for Prohibited Business Practices

On October 2, 2015, the Division of Securities entered a final order against Sigma Financial Corporation and Jeffery Darwish for engaging in prohibited business practices. Sigma Financial Corporation failed to enforce the firm's written supervisory procedures when they approved Mr. Darwish's seminar presentation materials. Jeffrey Darwish disclosed false or misleading information regarding his professional designations on his seminar presentation materials. A \$12,001 administrative fine was paid.

##### Final Order for \$6,000 Fine Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On October 5, 2015, the Division of Securities entered a final order against First

Palm Beach Advisory Co. Inc., and Thomas B. Walker for engaging in prohibited business practices by failing to maintain an accurate Form ADV, send clients itemized invoices, file audited financial statements, maintain required net capital, timely notify the office of the firm's net capital deficiency and comply with the custody requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. A \$6,000 administrative fine was paid.

#### Final Order for \$35,000 Fine Against Broker Dealer Firm

On October 5, 2015, the Division of Securities, in conjunction with a multi-state settlement, entered a final order against Citigroup Global Markets Inc., for failing to establish, maintain, and enforce supervisory procedures, failing to enforce the firms written procedures and not properly registering sales assistants with the State of Florida. In accordance with the terms of the settlement, Citigroup Global Markets Inc., agrees to establish and maintain reasonable supervisory policies and procedures for the firm's sales assistants and to pay an administrative fine of \$35,000 to the State of Florida.

### **3. Enforcement Results**

#### Jacksonville Man Pleads Guilty in Foreign Currency Trading Scam

On September 25, 2015, Joshua Carrol Gilliland entered a plea of guilty to one count of conspiracy to commit wire fraud in United States District Court for the Middle District of Florida. In March 2015, federal indictments against Gilliland and Chawalit Wongkhiao were filed by the United States Attorney's Office in Jacksonville. The two men were charged with one count of conspiracy to commit wire fraud and one count of conspiracy to commit money laundering for their alleged roles in a foreign currency trading scam, operating from March 2012 until July 2014. Wongkhiao pleaded guilty to one count of conspiracy to commit wire fraud on August 25, 2015. Gilliland and Wongkhiao, doing business as Allied Markets, LLC, are alleged to have solicited money from at least four investors for purported investments in foreign currency exchange (Forex) transactions. Based on promises of guaranteed returns of between seven and 10 percent annually, investors purchased more than \$1 million in investment contracts from the men. According to those investors, Gilliland and Wongkhiao represented that investment returns would come from profits generated through Forex trading. The investigation revealed, however, that the two men only invested about one-fifth of investors' funds in Forex transactions. A large portion of the funds was used for personal expenses or withdrawn by the men in the form of cash. The two are also alleged to have used funds acquired from more recent investors to pay returns to earlier investors in typical Ponzi fashion. The guilty plea carries a maximum penalty of up to 20 years in prison and fines of up to twice the loss resulting from the offense. This case was developed jointly with the FBI, IRS-Criminal Investigation, Jacksonville Beach Police Department and the U.S. Commodity Futures Trading Commission. The U.S. Attorney's Office in Jacksonville is prosecuting the case. A separate OFR administrative complaint was issued against Gilliland, Wongkhiao and Allied Markets on February 25,

2015, for violations of Chapter 517, F.S. A sentencing date has not been determined as yet.

## **New Issues**

### **1. Communications and Outreach Activities**

On October 6, 2015, the OFR issued a press release announcing the new Deputy Commissioner of the OFR.

[Commissioner Breakspear Announces Deputy Commissioner Appointment](#)