

GOVERNOR RICK SCOTT

WEEKLY AGENCY REPORT

OFFICE OF FINANCIAL REGULATION

WEEK ENDING October 22, 2015

Successes for Week Ending October 22, 2015

1. Licensing and Registration

- Division of Securities
 - Applications Received: 1,059
 - Applications Approved: 1,043
 - Applications Denied/Withdrawn: 12

- Division of Consumer Finance
 - Applications Received: 146
 - Applications Approved: 172
 - Applications Denied/Withdrawn: 12

- Division of Financial Institutions
 - Applications Received: 0
 - Applications Approved: 2
 - Applications Denied/Withdrawn: 0

2. Regulatory Sanctions

Denial of Associated Person

On October 15, 2015, the Division of Securities entered a final order against Kathleen Marie Svrcek-Hetfield, denying her applications for registration as an associated person after she failed to request a hearing. The final order follows a Notice of Intent to Deny, which alleged Kathleen Marie Svrcek-Hetfield made a material misrepresentation or misstatement on her applications for registration.

Termination of Investment Adviser President's Registration for FINRA Sanctions

On October 15, 2015, the Division of Securities entered a final order against Financial One, Inc., and Howard Schwartz, requiring the termination of Mr. Schwartz's associated person's registration. Howard Schwartz was the subject of a suspension and fine by FINRA, a national securities association. Mr. Schwartz as the president, direct owner and chief compliance officer, agreed to terminate his registration with Financial One, Inc., and to not submit an application for registration for six months.

Final Order for \$2,000 Fine Against an Associated Person for Failure to Disclose Regulatory Sanctions

On October 16, 2015, the Division of Securities entered a final order against Robert A. Kiesling for failing to timely report the suspension of his insurance license, by the Florida Department of Financial Services, in March 2014. Pursuant to the final order, Mr. Kiesling's registration as an associated person will be subject to a registration agreement. A \$2,000 administrative fine was paid.

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

On October 16, 2015, the Division of Securities entered a final order against Marketwise Private Asset Management LLC, and Jesus Alberto Pinedo for engaging in prohibited business practices by failing to maintain an accurate Form ADV, to 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 \$5,000 administrative fine was paid.

3. Enforcement Results

Naples Man Sentenced to Four Years' Imprisonment in Advance Fee for Loan Fraud

October 13, 2015, defendant James Spillers entered a plea of guilty in Collier County Circuit Court to one count of grand theft and 13 counts of taking advance fees as a loan broker in violation of Chapter 687, Florida Statutes. Spillers was sentenced to a four-year prison term to be followed by 10 years' probation. Spillers was also ordered to pay \$114,100 in restitution to victims along with nearly \$10,000 in investigative, prosecutorial and court costs. On September 12, 2014, Spillers was arrested in connection with an elaborate advance fee for loan fraud through which more than \$185,000 in advance fees was collected from prospective borrowers on the promise of obtaining commercial loans. Evidence obtained during the course of the investigation estimated the loss to prospective borrowers both within and outside the state at greater than \$900,000. Simultaneous to the arrest, and with assistance from the Collier County Sheriff's Office, a search warrant was executed at Spillers' home in Naples. Evidence obtained from the search was used in support of all charges. From December 2012 through March 2014, Spillers and his co-defendant, Douglas Carter, are alleged to have used websites such as "lendinguniverse.com" to offer loans to prospective borrowers via the internet. They are believed to have victimized over 100 prospective borrowers throughout the U.S. and Canada with at least 20 of those residing in Florida. No loans were ever funded or materialized. The OFR is the lead investigative agency in this case, teaming principally with the Volusia County Sherriff's Office and Collier County Sherriff's Office. The Office of Statewide Prosecution is prosecuting the case. Co-defendant Douglas Carter's trial is scheduled for November 30, 2015.

1. Communications and Outreach Activities

On October 13 - 16, 2015, three members of the Division of Financial Institutions represented the OFR at the District III Interagency Meeting in Atlanta, Georgia.