

# GOVERNOR RICK SCOTT

## WEEKLY AGENCY REPORT

### OFFICE OF FINANCIAL REGULATION

WEEK ENDING NOVEMBER 17, 2016

#### Successes for Week Ending November 17, 2016

#### 1. Licensing and Registration

- Division of Securities
  - Applications Received: 993
  - Applications Approved: 875
  - Applications Denied/Withdrawn: 11
  
- Division of Consumer Finance
  - Applications Received: 219
  - Applications Approved: 227
  - Applications Denied/Withdrawn: 6
  
- Division of Financial Institutions
  - Applications Received: 3
  - Applications Approved: 3
  - Applications Denied/Withdrawn: 0

#### 2. Regulatory Actions

##### Denial of Associated Person

On November 9, 2016, the Division of Securities entered a final order against James Michael Gustafson, Jr., denying his applications for registration as an associated person after he failed to request a hearing. The final order follows a notice of intent to deny, which alleged James Michael Gustafson, Jr., made a material misrepresentation or misstatement on his applications for registration.

#### 3. Enforcement Results

##### Man Pleads Guilty to Role in Investment Fraud

On September 13, 2016, Stylianos Bitzos pled guilty to charges of grand theft, selling unregistered securities and acting as an unregistered person in the sale of securities. On September 14, 2016, Bitzos was sentenced to six months in prison to be followed by 36 months of probation. Bitzos was given credit for his time served since his arrest on February 1, 2016. The OFR investigation of Bitzos found that from October 2013 through September 2014, Bitzos, through his company Global Management Fund, LLC (GMF), solicited Florida investors to purchase pre-initial public offering shares of Twitter, GoPro, Inc., and Alibaba Holding Group, Ltd. Bitzos obtained \$60,000 from three Florida investors based on representations that their money would go directly toward the purchase of

these pre-IPO shares. Bitzos claimed the shares could later be sold for a profit. Contrary to Bitzos's representations, a review of the bank records found that Bitzos never invested any of the investors' money. Instead, Bitzos used the money to cover various personal expenditures to include payments made to his immigration attorney. Bitzos also used investor funds to pay bail and restitution costs in two unrelated pending criminal cases against him. The bank account records further revealed that Bitzos spent all of the money he received from investors and could not have paid for the pre-IPO shares even if he had access to them. Nevertheless, after Bitzos' criminal defense attorney was made aware that charges would be forthcoming in the case, all investors were repaid by Bitzos' immigration attorney. The source of these funds is unknown. Bitzos and GMF were not registered in accordance with Chapter 517, Florida Statutes. The case was prosecuted by the Pasco County State Attorney's Office.

## **New Issues**

No new issues to report this week.