

GOVERNOR RICK SCOTT

WEEKLY AGENCY REPORT

OFFICE OF FINANCIAL REGULATION

WEEK ENDING MAY 16, 2013

Successes for Week Ending May 16, 2013

1. Licensing and Registration

- Division of Securities
 - Applications Received: 1,054
 - Applications Approved: 944
 - Applications Denied/Withdrawn: 9

- Division of Consumer Finance
 - Applications Received: 731
 - Applications Approved: 736
 - Applications Denied/Withdrawn: 28

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 - Applications Denied/Withdrawn: 0

2. Regulatory Sanctions

Denial of Investment Adviser Firm and Associated Person Applications

On May 8, 2013, the Division of Securities entered a Final Order against Focus Wealth Management, LLC and Andrew Glen Rosenberg denying their applications for registration as an investment adviser firm and associated person, after they failed to request a hearing. The Final Order follows a Notice of Intent to Deny which alleged Mr. Rosenberg, the firm's managing member, chief compliance officer and control person, was suspended and fined by FINRA for violation of NASD Conduct Rules.

3. Enforcement Results

Ft. Myers Man Pled Guilty to Fraud

On May 7, 2013, Lee County resident Michael Burns pled guilty to selling securities by an unregistered broker-dealer and one count of organized scheme to defraud. Burns was sentenced to 10 years of probation and ordered to pay \$90,000 to his victims. Burns had to pay \$30,000 at sentencing per the plea agreement. On March 21, 2011, Burns was arrested in Lee County on eight counts of selling securities by unregistered broker-dealer and one count of organized scheme to defraud as a result of an investigation conducted by

OFR. The investigation determined that Burns falsely told investors he was a licensed investment advisor and was authorized to sell securities in Florida. Burns solicited money from investors by telling them he would invest their money in low risk business ventures and pay the investors annual rates of return from 15% to 18%. Contrary to his representations, the investigation revealed Burns was not registered and utilized the investors' funds for his personal gain.

South Florida Man Charged With Organized Scheme to Defraud and Grand Theft
On May 8, 2013, as a result of a joint OFR/ Delray Beach Police Department investigation, Leonard Ansill was arrested in Palm Beach County on charges of organized scheme to defraud and grand theft. The joint investigation alleged that from October 2009 through August 2011, Ansill solicited \$1,120,000 from six investors for collateral assignments of mortgages he owned. The victims were purportedly told they would receive returns between 10% and 24%. The investigation revealed that the property owners had never heard of Ansill and he did not hold the mortgages to their properties. An analysis of the bank records revealed an apparent Ponzi scheme in which new investor money was used to make interest and principal payments to current investors. Ansill also diverted investor money for his own benefit.

New Issues

1. Outreach Activities

On May 8, 2013, Commissioner Breakspear met with Director Richard Cordray and Acting Deputy Director and Assistant Director for Supervision, Steve Antonakes of the Consumer Financial Protection Bureau (CFPB) in Miami. Topics discussed included the trends, regulations and oversight involving several of the industries the OFR regulates including pay day loans, check cashing businesses, consumer collection agencies and motor vehicle financing. Commissioner Breakspear also participated in a community roundtable on mortgage loans and a field hearing on student loans.

On May 8, 2013, Deputy Commissioner Hila participated in the Bank Secrecy Act Advisory Group meeting, hosted by the Financial Crimes Enforcement Network (FinCEN), in Washington, DC. Topics discussed included best practices for regulators and financial industry partners in their quest to fight financial crime in the United States.

On May 9, 2013, members of the Division of Consumer Finance spoke at the Florida Collectors Association's (FCA) semi-annual conference in Cape Canaveral. The topics discussed included future legislation. The Office and the FCA recognize the need to consider more robust registration standards because the statute does not provide OFR with authority to disallow registration when applicants have criminal backgrounds. Both the FCA and the OFR agree this deficiency needs to be addressed in the next legislative session and are working to draft language.