

**GOVERNOR RICK SCOTT**  
**ANNUAL AGENCY ACHIEVEMENT REPORT**  
**OFFICE OF FINANCIAL REGULATION**  
**2014**

**2014 ACHIEVEMENTS**

**1. Annual Statistics**

Division of Securities

- Total Applications Received: 54,096
  - Broker Dealer Firms: 169
  - Investment Adviser Firms: 766
  - Branch Offices: 1,383
  - Agents/Associated Persons: 51,778

Division of Consumer Finance

- Total Applications Received: 23,660
  - Commercial Collection Agency: 46
  - Consumer Collection Agency: 314
  - Consumer Finance Company: 113
  - Home Improvement Retail Installment Seller: 25
  - Home Improvement Retail Installment Seller Branch: 0
  - Loan Originator (NMLS): 5,151
  - Money Transmitters Part II: 58
  - Money Transmitters Part II-DPP: 7
  - Money Transmitters Part II-Locations: 12,604
  - Money Transmitters Part III: 147
  - Money Transmitters Part III-DPP: 28
  - Money Transmitters Part III-Locations: 117
  - Mortgage Broker (NMLS): 218
  - Mortgage Broker Branch (NMLS): 45
  - Mortgage Lender (NMLS): 106
  - Mortgage Lender (NMLS) Servicer: 69
  - Mortgage Lender Branch (NMLS): 413
  - Mortgage Lender Branch (NMLS) Servicer: 474
  - Motor Vehicle Retail Installment Seller: 1,005
  - Motor Vehicle Retail Installment Seller Branch: 25
  - Retail Installment Seller: 313
  - Retail Installment Seller Branch: 2,212
  - Sales Finance Company: 137
  - Sales Finance Company Branch: 30
  - Title Loan Lender: 3

## Division of Financial Institutions

• Total Applications Received:	196
○ Backgrounds:	175
○ Branch:	2
○ Change of Control:	1
○ Conversion:	3
○ De Novo – Credit Union:	1
○ De Novo – Trust:	1
○ Merger:	8
○ Main Office Relocation:	1
○ Purchase and Assumption:	4

## Bureau of Financial Investigations

○ Investigations Opened:	205
○ Investigations Closed:	152

## 2. Outreach Activities

On January 2, 2014, the OFR announced that Suncoast Credit Union converted from Suncoast Federal Credit Union and commenced business as a Florida state-chartered credit union. With \$5.5 billion in assets, Suncoast Credit Union becomes the largest financial institution regulated by the State of Florida.

[Suncoast Credit Union Becomes Florida Chartered Institution](#)

On January 30, 2014, a member of the Division of Financial Institutions represented the OFR on a regulatory panel at the Florida Bankers Association's "Safety & Soundness in 2014" seminar held in Miami, Florida. There were approximately 30 bankers in attendance.

On January 31, 2014, a member of the Division of Financial Institutions represented the OFR on a regulatory panel at the Florida Bankers Association's "Safety & Soundness in 2014" seminar held in Tampa, Florida. There were approximately 40 bankers in attendance.

On February 4, 2014, a member of the Division of Financial Institutions represented the OFR on a regulatory panel at the Sarasota-Manatee Chapter of the Risk Management Association meeting held in Sarasota, Florida. The presentation was on *Bank Trends and Common Regulatory Violations*. There were approximately 50 people in attendance.

On February 21, 2014, two members of the Division of Financial Institutions represented the OFR on a regulatory panel at the Florida International Bankers Anti-Money Laundering Compliance Seminar held in Miami, Florida. There were approximately 75 people in attendance.

On March 7, 2014, the OFR issued a press release to raise awareness of Tax Refund Fraud.

## [Florida Office of Financial Regulation Raises Awareness of Tax Refund Fraud](#)

On March 10, 2014, OFR Commissioner Drew J. Breakspear responded to an editorial in the *Ocala Star Banner* on payday loans.

[Ocala Star Banner: Commissioner Drew J. Breakspear: Payday loans](#)

On March 12, 2014, an opinion editorial by OFR Commissioner Drew J. Breakspear appeared on Context Florida's website.

[Context Florida: Drew J. Breakspear: Common-sense regulation of payday loans helps Floridians](#)

On March 13, 2014, an opinion editorial by OFR Commissioner Drew J. Breakspear appeared in the Daytona Beach News Journal.

[Daytona Beach News-Journal: Well-regulated payday loans help low-income Floridians](#)

On March 18, 2014, the OFR issued a consumer alert to raise awareness of the risks of using virtual currencies.

[Consumer Alert: Virtual Currencies](#)

On March 19, 2014, a member of the Division of Financial Institutions represented the OFR through a Q&A Panel with the South Florida Banking Institute. There were approximately 60 people in attendance.

On March 21, 2014, an opinion editorial by OFR Commissioner Drew J. Breakspear appeared in the Tampa Bay Times.

[Column: Innovation, safety in digital currencies](#)

On March 24, 2014, OFR Commissioner Drew J. Breakspear attended the Conference of State Bank Supervisors (CSBS) board meeting in Washington, D.C. The board met to discuss emerging trends, such as virtual currency.

On March 26, 2014, the OFR issued a press release highlighting Commissioner Breakspear's role in the upcoming SIFMA seminar.

[Commissioner Drew J Breakspear to Deliver SIFMA Welcome Address](#)

On March 26, 2014, the OFR issued a statement from Commissioner Breakspear regarding the IRS guidance on virtual currency.

[Statement from Commissioner Drew J. Breakspear Regarding IRS Virtual Currency Guidance](#)

On March 26, 2014, two members of the Division of Financial Institutions represented the OFR at a regulator roundtable at the League of Southeastern Credit Union's Government Affairs Conference in Tallahassee with NCUA Regional Director Myra Toeppe. There were approximately 60 people in attendance.

On April 9, 2014, the OFR issued a consumer alert on prohibited debt collection practices.

[Consumer Alert: Prohibited Debt Collection Practices](#)

On April 9, 2014, the OFR issued a press release on a Florida man convicted in fraudulent land development scheme.

[Press Release: Florida man convicted in fraudulent land development scheme](#)

On April 9, 2014, Commissioner Drew J. Breakspear taped an interview with Beth Switzer for an episode of *Florida Face to Face*. The interview aired multiple times on PBS stations statewide.

On April 10, 2014, a member of the Division of Financial Institutions represented the OFR on a regulatory panel at the National Association of Corporate Directors' Annual Bank Directors Workshop in Ft. Lauderdale. There were approximately 60 people in attendance.

On April 22, 2014, OFR Commissioner Drew J. Breakspear issued a statement on the passage of legislation related to money services businesses.

[Commissioner Breakspear's Statement on the Passage of Legislation Related to Money Services Businesses](#)

On April 24, 2014, an opinion editorial written by OFR Commissioner Drew J. Breakspear was published by *Sunshine State News*.

[Sunshine State News: Education, Preventive Measures Help Combat Financial Fraud](#)

On April 27, 2014, a letter to the editor by OFR Commissioner Drew J. Breakspear was published by the *Tallahassee Democrat*.

[Tallahassee Democrat: Kids need to know the basics of finance](#)

On May 1, 2014, the OFR issued a press release on arrests made in an Orlando investment fraud scheme.

[Press Release: Arrests Made in Orlando Investment Fraud Scheme](#)

On May 1, 2014, the OFR issued a press release celebrating Putting Investors First Month.

[Press Release: Florida Office of Financial Regulation Celebrates Putting Investors First Month](#)

On May 1, 2014, the OFR issued a press release announcing the passage of OFR legislative priorities.

[Press Release: New legislation a win for consumers](#)

On May 8, 2014, members of the Division of Consumer Finance participated in the Florida Collectors Association, Inc., Mid-Year Spring Conference in Orlando. Topics discussed included new law changes, upcoming renewal expectations and working with the association in developing rules to support changes in the law. Approximately 30 association members attended the event.

On May 12, 2014, the OFR issued a consumer alert to bring awareness to precious metals investing.

[Consumer Alert: Precious Metals Investing](#)

On May 14, 2014, Division of Securities staff participated in the Quarterly Roundtable meeting held by the U.S. Securities and Exchange Commission in Miami. Other participants included the Financial Industry Regulatory Authority, the Federal Bureau of Investigation, the United States Attorney's Office and other State and Federal regulatory and law enforcement agencies. The meeting was held to discuss updates, from participating agencies, on new and/or significant trends or concerns in Securities and/or Investment Fraud matters. Other issues discussed included suggestions for better collaborative investigations and parallel criminal prosecutions. Approximately 35 securities regulatory members were in attendance.

On May 21, 2014, an opinion editorial written by OFR Commissioner Drew J. Breakspear was published by *Sunshine State News*.

[Sunshine State News: Phishing Scams Prevalent: Take Care Opening Email](#)

On May 28, 2014, members of the Division of Securities conducted an interview with the New York Times on Florida financial adviser registration process, cases, trends and outreach to senior citizens.

On May 28, 2014, OFR Commissioner Drew J. Breakspear conducted an on-camera interview via Skype with Mike Holfeld of WKMG-TV Orlando on financial phishing email scams.

On June 4-5, 2014, a member of the Division of Consumer Finance attended the Conference of State Bank Supervisors (CSBS), Mortgage Testing and Education Board annual meeting in Washington D.C. The Board met to develop policy recommendations for mortgage testing investigations and examination of education providers. The Board also reviewed existing investigations and the future Board membership. Members also toured a test center to experience the process of taking pre-licensing examinations. There were ten Board members and ten members of the CSBS staff present.

On June 6-8, 2014, members of the OFR Division of Securities attended the North American Securities Administrators Association (NASAA) Broker-Dealer & Agent Examination & Registration Training held in St. Louis, MO. Both OFR members served as trainers during the three-day training program for

examination and registration staff of state securities regulators. More than 125 attendees from more than 30 states participated in the event.

On June 8, 2014, an opinion editorial written by OFR Commissioner Drew J. Breakspear was published by the *Daytona Beach News Journal*.

[Daytona Beach News Journal: Drew Breakspear: Learn to outsmart scammers](#)

On June 9, 2014, OFR Commissioner Drew J. Breakspear presented at the Florida Bankers Association Annual Meeting in Naples, Florida. His presentation emphasized the status of Florida's banks. Additionally, a member of the Division of Financial Institutions represented the OFR on a regulatory panel. There were approximately 140 people in attendance.

On June 12, 2014, OFR Commissioner Drew J. Breakspear provided opening remarks at the Southeast Credit Union Conference & Expo in Orlando, Florida. Four members of the Division of Financial Institutions attended the conference and two OFR members participated in the regulatory roundtable. There were approximately 50 people in attendance.

On June 12, 2014, a Skype interview between OFR Deputy Commissioner Gregory J. Hila and Mike Holfeld of WKMG-TV Orlando aired.

[WKMG: Deputy Commissioner Hila: Debt Collectors](#)

On June 15, 2014, an opinion editorial written by OFR Commissioner Drew J. Breakspear was published by the *Tallahassee Democrat*.

[Tallahassee Democrat: Choosing the right financial professional](#)

On June 17, 2014, representatives of Florida Securities Dealers Association, Wells Fargo Advisors, and TradeStation Securities joined with a representative of the OFR and State Representative Barbara Watson to present a seminar entitled, "Elder Fraud and Identity Theft," to a senior citizens group in Miami Gardens, Florida. The lively and well-attended interactive presentation covered such topics as, "Why Target Elderly Persons," "Who are the Victims of Elder Fraud," "What to do if You are the Victim of Identity Theft," "Warning Signs of Potential Fraud," "Protective Measures that an Elderly Person Can Take To Avoid Becoming The Victim of Fraud," and "Reverse Mortgages."

On June 19, 2014, the OFR issued a consumer alert warning of unauthorized use of OFR branding.

[Consumer Alert: Unauthorized Use of OFR Branding](#)

On June 20, 2014, a Skype interview between OFR Deputy Commissioner Gregory J. Hila and Mike Holfeld of WKMG-TV Orlando aired.

[WKMG: Deputy Commissioner Hila: Reload Scams](#)

On June 24, 2014, the OFR issued a press release announcing the name change and conversion of First National Bank of the Gulf Coast to a state-chartered financial institution.

[Press Release: First National Bank of the Gulf Coast Changes Name, Becomes State-Chartered Institution](#)

On June 26, 2014, a member of the OFR Division of Securities participated in a panel discussion with the U.S. Securities and Exchange Commission (SEC) at the Southeastern Securities Conference in Atlanta, Georgia. The panel discussed examination/enforcement trends and common examination findings. Approximately 60 securities regulatory members attended.

On July 3, 2014, an on-camera interview between OFR Commissioner Drew J. Breakspear and Steven Scully of C-SPAN aired.

[C-SPAN: Washington Journal: Commissioner Drew J. Breakspear](#)

On July 22, 2014, the OFR issued a consumer alert on disaster-related financial scams.

[Consumer Alert: Disaster-Related Financial Scams](#)

On July 24, 2014, OFR Commissioner Drew J. Breakspear appeared on Florida Face to Face.

[Florida Face to Face: Commissioner Breakspear](#)

On August 6, 2014, Deputy Commissioner Gregory J. Hila provided an on camera interview to the Capitol News Service.

On August 11, 2014, OFR Commissioner Drew J. Breakspear, Deputy Commissioner Gregory J. Hila and Communications Director Jamie Mongiovi attended an editorial board meeting with the Pensacola News Journal.

On August 12, 2014, the OFR issued a consumer alert on unlicensed payday lenders.

[Consumer Alert: Unlicensed Payday Lenders](#)

On August 13, 2014, Division of Securities Senior Management met with representatives of the Florida Securities Dealers Association (FSDA) in Tallahassee. Topics discussed included an overview of OFR, legislative and rule proposals. Approximately five members of the FSDA attended the meeting.

On August 14-15, 2014, OFR Commissioner Drew J. Breakspear spoke at the Florida Bankers Association (FBA) Director's Forum in Orlando. Topics discussed included regulatory changes and emerging banking trends.

On August 27, 2014, the OFR issued a press release on the deadline to file a claim with Ocwen Mortgage.

[Press Release: Deadline Approaches for Ocwen Mortgage Claims](#)

On August 27, 2014, the OFR issued a press release to remind Floridians that the deadline to file a claim with Ocwen Mortgage is September 15, 2014.

[Press Release: Deadline Approaches for Ocwen Mortgage Claims](#)

On September 10-12, 2014, a member of the Division of Financial Institutions represented the OFR at the NASCUS State System Summit in Nashville, Tennessee.

On September 11, 2014, the Division of Securities hosted an investigation techniques training session in Tallahassee. FBI Special Agent Gregory Coleman provided an in-depth training focusing on criminal investigative strategies. Over 250 members of the Office of Financial Regulation statewide staff and other Florida State Agencies Investigative staff participated.

On September 15, 2014, a member of the Division of Financial Institutions met with University of North Florida, Coggin College of Business officials regarding a recruitment relationship network with the Division of Financial Institutions.

On September 15, 2014, the OFR issued a press release announcing the opening of an international administrative office by Deutsche Bank.

[Press Release: Deutsche Bank Granted State Charter](#)

On September 17, 2014, the OFR issued a consumer alert updating consumers on virtual currency guidance.

[Consumer Alert: Update on Virtual Currency](#)

On September 19, 2014, the OFR issued a consumer alert on a pervasive IRS collection scam.

[Consumer Alert: Pervasive IRS Collection Scam](#)

On October 1, 2014, the OFR issued a consumer alert on the unauthorized use of OFR information and branding.

[Consumer Alert: Unauthorized Use of OFR Information and Branding](#)

On October 6, 2014, a member of the Division of Financial Institutions met with the University of Florida Warrington School of Business officials regarding establishing a recruitment relationship network for the division.

On October 15, 2014, the OFR Office of Communications released a consumer alert regarding a counterfeit check scam.

[Consumer Alert: Counterfeit Check Scam](#)

On October 20, 2014, the OFR issued a press release regarding Administrative Complaints against two businesses acting as unlicensed mortgage lenders.

[Press Release: Office of Financial Regulation Charges Two South Florida Businesses Acting as Unlicensed Mortgage Lenders](#)

On October 24, 2014, a member of the Division of Financial Institutions participated in a regulator panel at the Florida Bankers Association's 10<sup>th</sup> Annual BSA/AML School in Orlando.

On October 27, 2014, a member of the Division of Financial Institutions met with Flagler College offices regarding establishing a recruitment relationship network with the division.

On October 28, 2014, the OFR issued a press release regarding a Final Order against two men for operating a boiler room scheme and fines totaling more than \$1.5 million.

[Press Release: Florida Office of Financial Regulation Fines Two South Florida Men for Operating Boiler Room Scheme](#)

On October 27-29, 2014, the Division of Securities held its annual training program in Orlando, FL. All enforcement exam staff and management were in attendance as well as personnel from the Securities legal section, the Securities registration bureau and the OFR Bureau of Investigations. Deputy Commissioner Gregory Hila attended and made a presentation to the group. The training focused on enforcement trends, procedures, Chapter 517, F.S., and Chapter 69W, F.A.C. The attendees were exposed to the examination, registration, investigative and legal aspects of our enforcement program.

On November 13, 2014, the OFR issued a press release regarding classic schemes identified as top investor threats.

[Press Release: New Products in Classic Schemes Identified as Top Investor Threats](#)

On November 18, 2014, the OFR issued a press release highlighting Fraud Awareness Week.

[Press Release: Florida Office of Financial Regulation Highlights Fraud Awareness Week](#)

On November 20, 2014, an opinion editorial by Commissioner Drew J. Breakspear appeared in the Miami Herald.

[Miami Herald: Combating financial crime is an OFR priority](#)

On November 20, 2014, a member of the Division of Securities participated in a panel discussion with the Financial Industry Regulatory Authority (FINRA) and the U.S. Securities and Exchange Commission (SEC) at the 2014 FINRA South Regional Compliance Seminar in Ft. Lauderdale. The panel discussed current regulatory developments, initiatives and priorities. Approximately 350 members of the securities industry attended.

On November 26, 2014, an opinion editorial by Commissioner Drew J. Breakspear appeared in the Pensacola News-Journal.

[Pensacola News-Journal: Viewpoint: State regulators protect Floridians](#)

During the months of November and December 2014, two members of Division of Securities' staff participated in the *Junior Achievement (JA) Our Nation* education program, which was offered to Ms. Magnuson's Florida State University School students. *JA Our Nation* was offered through the Junior Achievement Big Bend, which provides practical information about the need for employees who can meet the demands of the 21st century job market, particularly high-growth, high-demand jobs. The program helps students understand the skills, especially in science, technology, engineering, and math, which will make their futures brighter. Twenty four 5th grade students participated in program.

On December 2, 2014, a member of the Division of Financial Institutions attended the NASCUS Directors College in Lake Mary. Approximately 40 people were in attendance.

On December 16, 2014, the OFR Office of Communications released a consumer alert regarding advance fee loan scams.

[Consumer Alert: Advance Fee Loan Scams](#)

On December 14, 2014, a letter to the editor by Commissioner Drew J. Breakspear appeared in the Palm Beach Daily News.

[Palm Beach Daily News: Florida office polices securities industry](#)

### **3. Substantial Regulatory Actions**

#### **Final Order for \$114,986 Fine against a Broker Dealer**

On January 28, 2014, the Division of Securities entered a Final Order against UBS Financial Services, Inc., for failing to establish an adequate system to monitor the registration status of client services associates and maintain all books and records; and for engaging in the sale of securities in the state of Florida through unregistered client service associates. The Final Order follows an investigation into the registration of UBS's client service associates and supervisory system by the North American Securities Administrators Association (NASAA) Multi-State Working Group. An \$114,986 administrative fine was paid.

#### **Permanent Bar and Fines Totaling \$95,000 against a Broker Dealer and Agents**

On January 31, 2014, the Division of Securities entered a Final Order against Prime Capital Services, Inc., Rose Rudden, Carleton G. McBride and Richard Caparelli for failing to enforce their written supervisory procedures. Pursuant to the Final Order, Ms. Rudden is permanently barred from registration with the OFR in any supervisory capacity; Mr. Caparelli and Mr. McBride are barred from registration with the OFR in any supervisory capacity for 18 months and six

months, respectively. Administrative fines of \$20,000, \$25,000 and \$50,000 were paid, respectively, by Ms. Rudden, Mr. Caparelli and the firm.

Final Order for Fines Totaling \$295,750 against an Investment Adviser Firm and Twelve Associated Persons for Unregistered Investment Advisory Business

On February 6, 2014, the Division of Securities entered a Final Order against Morgan Stanley Smith Barney LLC, Albert E. Gibbons, Jr., Arnold Murry Peskin, Arthur Irvin Sherman, David Paul Sobocinski, Franklin Joseph Saunders, Howard Stewart Harrow, Joseph Marcus Siegman, Linda Schick Hull, Robert William Price, Roberta A. Bary, Stephen Dana Peet and Steven Gregory Chapman for engaging in an investment advisory business in Florida without being registered. Fines totaling \$295,750 were paid.

Administrative Fine of \$210,000 against an Unregistered Associated Person for Fraud

On February 19, 2014, the Division of Securities entered a Final Order against Henry Dyer Wiggins, Jr., after he failed to request a hearing. The Final Order follows an Administrative Complaint, which alleged Mr. Wiggins committed fraud by using investor funds for personal use. A \$210,000 administrative fine was assessed.

Suspension and \$60,000 Fine Against a Broker Dealer Agent for Prohibited Business Practices

On March 3, 2013, the Division of Securities entered a Final Order against George R. Hunt for engaging in prohibited business practices by borrowing money from his customers. Mr. Hunt was suspended for two years from seeking future registration as a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, F.S. An administrative fine of \$60,000 was assessed.

Permanent Bar and \$ 3,125,000 in Total Fines Against an Unregistered Broker Dealer and Associated Person for Fraud

On March 31, 2014, the Division of Securities entered a Final Order against Neofat Industries, Inc., k/n/a Microlipid Technologies, Inc., and Gus Papathanasopoulos permanently barring the firm and him from seeking future registration as a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, F.S., after they failed to request a hearing. The Final Order follows an Administrative Complaint, which alleged Mr. Papathanasopoulos and Neofat Industries, Inc., offered and sold unregistered securities; engaged in securities business in Florida without being registered and conducted fraudulent securities transactions. A total of \$3,125,000 in administrative fines was assessed.

Permanent Bar and \$10,000 Fine Against an Unregistered Associated Person for Fraud

On April 8, 2014, the Division of Securities entered a Final Order against Donald L. Braxton, permanently barring Mr. Braxton from registration with the OFR, after he failed to timely request a hearing. The Final Order follows an Administrative Complaint, which alleged Donald L. Braxton offered and sold unregistered securities, engaged in securities transactions in Florida without being registered, operated a boiler room and conducted fraudulent securities transactions. An administrative fine of \$10,000 was assessed.

#### National Bank Converts to State-Chartered Bank

On April 25, 2014, Calusa National Bank converted to a Florida state-chartered financial institution effective close of business. Calusa Bank (current name) holds nearly \$156 million in assets.

[Press Release: Calusa National Bank becomes state-chartered financial institution](#)

#### Permanent Bar and \$465,000 in Total Fines Against Unregistered Broker Dealers and an Associated Person for Fraud

On April 28, 2014, the Division of Securities entered a Final Order against Alan Drew Messina, Global Capital Funding, LLC, and Ephesians 6:11, LLC, permanently barring him and the firms from seeking future registration or licensure with the OFR. The Final Order follows an Administrative Complaint, which alleged Mr. Messina, Global Capital Funding, LLC, and Ephesians 6:11, LLC, offered and sold unregistered securities, engaged in securities business in Florida without being registered, and conducted fraudulent securities transactions. A total of \$465,000 in administrative fines was assessed.

#### Revocation and Permanent Bar Against Investment Adviser Firm and Associated Person for Prohibited Business Practices and FINRA Sanctions

On May 12, 2014, the Division of Securities entered a Final Order against Sterling Capital Management, Inc., (“Sterling”) and Scott Mason. Sterling engaged in prohibited business practices by failing to comply with books and records requirements, failing to file financial statements for a period of three years, and using an advertisement touting misleading returns. Scott Mason was the subject of a suspension and permanent bar by FINRA, a national securities association. Pursuant to the Final Order, Sterling’s registration as an investment adviser was revoked. Scott Mason’s registration as an associated person of Sterling was also revoked and he is permanently barred from seeking future registration as a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, F.S.

#### Permanent Bar and \$115,000 Fine Against an Associated Person for Prohibited Business Practices and Fraud

On June 9, 2014, the Division of Securities entered a Final Order against Angel Manuel Aviles permanently barring Mr. Aviles from registration with the Office, after he failed to timely request a hearing. The Final Order follows an Administrative Complaint, which alleged Mr. Aviles conducted fraudulent

securities transactions, and engaged in prohibited business practices by commingling funds and selling his future earnings. An administrative fine of \$115,000 was assessed.

Permanent Bar and \$460,000 in Total Fines Against Unregistered Broker Dealers and Six Associated Persons for Unregistered Activity and Fraud

On June 17, 2014, the Division of Securities entered a Final Order against GlobalOne Financial, Inc., Asset Capital Consulting, Inc., Michael Jeffery Scott, Ryan Patrick Coon, Noel Gary Beres, Barry David Cohen, Rupert Winston Hakim and Goron Craig Jemmott permanently barring them from seeking future registration or licensure with the Office of Financial Regulation, after they failed to request a hearing. The Final Order follows an Administrative Complaint, which alleged the firms and associated persons offered and sold unregistered securities, engaged in securities business in Florida without being registered, and conducted fraudulent securities transactions. A total of \$460,000 in administrative fines was assessed.

On June 27, 2014, First Florida Integrity Bank (formerly National Bank of the Gulf Coast) converted to a state charter. First Florida Integrity Bank is located in Naples, Florida, with an assets size of \$865 Million.

[Press Release: First National Bank of the Gulf Coast Changes Name, Becomes State-Chartered Institution](#)

On June 30, 2014, Old Florida Bank (formerly Old Florida National Bank) converted to a state charter. Old Florida Bank is located in Orlando, Florida, with an asset size of \$843 Million.

Revocation and \$53,500 Fine Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On July 11, 2014, the Division of Securities entered a Final Order against Brick Investment Advisors, LLC, and Raul Matias Del Solar, revoking their registration with the Office, after they failed to request a hearing. The Final Order follows an Administrative Complaint, which alleged Brick Investment Advisors, LLC, and Raul Matias Del Solar engaged in prohibited business practices by failing to file audited financial statements, maintain an accurate Form ADV, maintain required net capital and send clients itemized invoices. An administrative fine of \$53,500 was assessed.

Permanent Bar of Investment Adviser Associated Person for Fraud and FINRA Sanctions

On August 1, 2014, the Division of Securities entered a Final Order against Marco Caporale permanently barring him from seeking future registration as a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, F.S. Marco Caporale was found to have conducted fraudulent securities transactions and was the subject of a permanent bar by FINRA, a national securities association.

Final Order and \$60,000 Fine Against an Unregistered Broker Dealer for Unregistered Securities Activity

On August 26, 2014, the Division of Securities entered a Final Order against VFG, LLC, f/k/a Voyager Financial Group, ordering the firm to Cease and Desist from any further violations of the Securities and Investor Protection Act, after the firm failed to timely request a hearing. The Final Order follows an Administrative Complaint, which alleged VFG, LLC, offered and sold unregistered securities, and engaged in securities transactions in Florida without being registered. An administrative fine of \$60,000 was assessed.

Fine Assessed as Part of Settlement

On September 2, 2014, the Division of Consumer Finance entered a Final Order against Circle K Stores, Inc., for unlicensed activity. Circle K Stores, Inc., operated as a check casher without a license between January 1, 2009 and February 14, 2014. A \$1 million fine was paid and licensure was granted.

[Press Release: Convenience Store Chain Settles for \\$1 Million](#)

Permanent Bar Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On September 30, 2014, the Division of Securities entered a Final Order against TL Taylor Financial Group, LLC, and Tousant Leonard Taylor for engaging in prohibited business practices by charging performance fees to an unqualified client, charging a customer unreasonable advisory fees, and entering into an advisory contract that failed to disclose an accurate fee structure. TL Taylor Financial Group, LLC, and Tousant Leonard Taylor are permanently barred from affiliating or seeking future registration with a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, F.S. In addition, TL Taylor Financial Group, LLC's website is required to be removed from the Internet.

Permanent Bar and \$42,500 Fine Against an Associated Person for Fraud

On October 10, 2014, the Division of Securities entered a Final Order against Darwin Hayle, permanently barring Mr. Hayle from registration with the OFR, after he failed to timely request a hearing. The Final Order follows an Administrative Complaint, which alleged Darwin Hayle offered and sold unregistered securities, engaged in prohibited business practices and conducted fraudulent securities transactions. An administrative fine of \$42,500 was assessed.

Permanent Bar and \$1,580,000 in Total Fines Against a Precious Metals Broker and Agents for Fraud

On October 15, 2014, the Division of Securities entered a Final Order against Vertical Integration Group LLC, d/b/a Churchill Clearing Corp, Richard V. Morello, Jr., and Junior L. Alexis permanently barring the firm and individuals from registration with the Office, after they failed to request a hearing. The Final Order follows an Administrative Complaint, which alleged the firm and individuals

operated a boiler room, misrepresented and omitted material facts to investors and conducted fraudulent securities transactions. A total of \$1,580,000 in administrative fines was assessed.

Permanent Bar and \$110,000 Fine Against an Associated Person for Fraud

On October 24, 2014, the Division of Securities entered a Final Order against Ralph Oelbermann, permanently barring Mr. Oelbermann from registration with the OFR, after he failed to timely request a hearing. The Final Order follows an Administrative Complaint, which alleged Ralph Oelbermann falsified customer account documents and conducted fraudulent securities transactions. An administrative fine of \$110,000 was assessed.

Permanent Bar and \$165,258 in Total Fines Against Unregistered Broker Dealers and Associated Persons for Fraud

On November 17, 2014, the Division of Securities entered a Final Order against Advanced Equity Partners, LLC, Advanced Equity Partners Management Group, Inc., JJHLD, LLC, Stuart Mark Rubens and Peter Dale Kirschner permanently barring them from affiliating or seeking future registration as a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, F. S. The Final Order follows an Administrative Complaint, which alleged the firms and associated persons offered and sold unregistered securities, engaged in securities business in Florida without being registered, operated a boiler room and conducted fraudulent securities transactions. A total of \$165,258 in administrative fines was assessed.

Fine Assessed for Unlicensed Activity

On December 9, 2014, the Division of Consumer Finance entered a Final Order after receiving the first of four installments of \$50,437 from TransferMate, Inc. The fine was assessed for unlicensed money services business activity.

Revocation of Loan Originator License

On December 12, 2014, the Division of Consumer Finance entered a Final Order, revoking the loan originator license for Ronel Laurent. Ronel Laurent was arrested with two felony charges of robbery and grand theft. Ronel Laurent was also issued an administrative fine of \$1,000.

Revocation of Loan Originator License

On December 18, 2014, the Division of Consumer Finance entered a Final Order, revoking the loan originator license for Glorianny Guevara. Glorianny Guevara was arrested for public assistance fraud.

Fine Assessed for Unlicensed Activity

On December 18, 2014, the Division of Consumer Finance entered a Final Order after receiving the first of two installments of \$26,037 from CambioReal, Inc. The fine was assessed for unlicensed money transmission activity.

#### Fines Totaling \$563,425 for Unregistered Activity

From January 1 to December 31, 2014, the Division of Securities fined 37 associated persons and four firms for engaging in unregistered investment advisory or securities activities in the State of Florida. A total of \$563,425 in administrative fines were assessed.

#### Denial of Twelve Associated Person Applications

From January to December 2014, the Division of Securities denied 12 applications for associated person registration. The Notices of Intent to Deny, in each case, alleged that the associated person made a material misrepresentation or misstatement on their application for registration.

### **4. Significant Enforcement Actions**

#### Southwest Florida Man Sentenced to 15 years in Prison

On January 13, 2014, David Hernandez of Lehigh Acres was sentenced to 15 years in state prison to be followed by 15 years of probation for his role in a mortgage fraud scheme that victimized nine individuals and resulted in losses of more than \$90,000. Hernandez was also ordered to pay \$82,500 in restitution and was immediately remanded into custody. The sentencing follows a December 10, 2013, plea of no contest by Hernandez to all criminal charges filed against him including multiple counts of grand theft and one count of forgery. Hernandez originally pled not guilty to the charges but changed his plea to “no contest” just moments before jury selection was to take place in his trial. Investigators determined that from July 2009 to August 2010, Hernandez, a licensed mortgage broker at the time, took money from prospective homebuyers (including five from Florida) under the pretense that their monies would be put in an escrow account and used to obtain mortgages for the purchase of real estate in Lehigh Acres. No mortgages were ever funded and Hernandez used the victims’ monies for personal expenses. The Lee County Sheriff’s Office initiated this investigation and arrested Hernandez on March 8, 2012. Thereafter, the State Attorney’s Office requested that the OFR review, analyze and obtain additional pertinent documents and testify as to the findings in the Hernandez criminal trial. Since the trial did not proceed, an OFR investigator testified instead at Hernandez’s sentencing hearing. Assistant State Attorney J.D. Miller noted the investigator’s “...testimony to his evaluation of the banking records and the conversion of funds was crucial to the sentence.”

#### Boca Raton Area Man Charged with Theft in Connection with Investment Scheme

On January 17, 2014, Victor Bauza, 49, was arrested by the Palm Beach County Sheriff’s Office. Bauza was charged by the Florida Office of Statewide Prosecution with securities violations, grand theft and organized scheme to

defraud. The defendant allegedly solicited more than \$800,000 from 20 investors to purchase shares of Medical Informatics Xchange (MIX). The investigation determined that from February 2010 through November of 2011, the defendant sold shares of MIX for between \$1 and \$1.50 a share and allegedly told investors that MIX would be conducting an initial public offering in the near future. Bauza purportedly told investors that the price of the shares would rise between \$4 and \$6 a share once they began trading on public exchanges. Contrary to the defendant's representations, MIX principals claimed that the company was never involved in preparing an initial public offering of its stock. This case was developed jointly by the OFR and the Boca Raton Police Department and is being prosecuted by the Office of Statewide Prosecution in Miami. The charges filed against Bauza are only accusations and the defendant is presumed innocent until proven guilty.

[Boca Raton Area Man Charged with Theft in Investment Scheme Resulting in \\$800,000 Loss to Investors](#)

[Seminole man arrested in \\$6 million Ponzi scheme](#)

On January 23, 2014, Gary Gauthier of Seminole, was arrested by FDLE agents after being charged with multiple counts of securities fraud, sale of unregistered securities, sale of a security by an unregistered dealer, organized fraud and racketeering. Gauthier, who evaded capture for seven days following the issuance of a warrant for his arrest, is alleged to have orchestrated the elaborate fraud with his co-defendant in the case, David George Dreslin. Dreslin surrendered to the Pinellas County Sheriff's Office on January 16 after being charged with similar offenses. The joint OFR/FDLE investigation revealed that Gauthier and Dreslin were engaged in an apparent Ponzi scheme, soliciting investors for various real estate projects. Dreslin, a CPA, would convince clients to purchase shares or units in a variety of real estate development projects promising large returns in a short period of time. Gauthier, acted as a promoter for the investments, appearing on Christian radio programs entitled "It's God's Money" and "It's all about Florida Real Estate." The broadcasts aired in the Tampa Bay area on Saturday mornings. Analysis of bank records revealed that Dreslin and Gauthier raised in excess of \$6,000,000 from Florida investors. It is alleged that investor funds were used to make interest payments to other investors as well as to make payments to themselves and their individual business organizations. These payments were purportedly made without the investors' knowledge. No evidence was found to suggest that Gauthier and Dreslin ever used their own money to further the supposed real estate projects as represented to certain investors. None of the real estate projects appeared to have realized a profit. The charges filed against Dreslin and Gauthier are only accusations and the defendants are presumed innocent until proven guilty. This OFR Investigation was conducted jointly with the Florida Department of Law Enforcement.

[Seminole Man Arrested in \\$6 Million Ponzi Scheme](#)

[Orlando Area Men Sentenced to 9 Years for Roles in Investment Fraud Scheme](#)

On January 23, 2014, Phillip Leon and John Wilkins were sentenced to nine years federal prison and were ordered to pay \$17 million in restitution, and forfeit \$4 million in artwork and monies being held in various banks and trading accounts. The charges and subsequent conviction stem from Leon and Wilkins' role in an elaborate investment fraud that bilked investors out of more than \$18 million nationwide. A joint OFR and US Secret Service investigation revealed that from 2009 to 2012, Leon and his partner, Wilkins, raised over \$18 million from more than 200 investors by falsely claiming that the Matterhorn Fund (an unregistered hedge fund managed by Leon and Wilkins) generated annual rates of return ranging from 11% to 91% between the years 1980 and 2009. However, the investigation found that the Matterhorn Fund did not exist until 2009. The investigation also revealed that both men misrepresented their employment histories and educational backgrounds in communications with investors. These misrepresentations and others are believed to have been at the center of their efforts to exploit unsuspecting investors, ultimately luring many of them to place money in the fund. A review of the fund's bank and trading records revealed that in early 2010, when the Matterhorn Fund began to lose money, Leon and Wilkins falsified the Matterhorn Funds' performance reports to show the fund had generated extraordinary gains. The men used these false reports to solicit investment funds from additional victims and to create new hedge funds with the promise of similarly outlandish returns. The National Futures Association had previously taken an emergency enforcement action against the Matterhorn Fund's parent company, Altamont Global Partners LLC, and its principal, John Wilkins, based on its determination that investor funds had been misappropriated.

#### South Florida Man Sentenced to 37 Months in Prison for Securities Fraud

On February 21, 2014, Daniel Paez was sentenced to 37 months in federal prison and three years of probation after pleading guilty to one count of securities fraud for his role in a fraudulent investment scheme. A joint FBI/OFR investigation determined that from September 2010 through April 2012, Paez and his company, Fly High Investments, Inc., obtained approximately \$500,000 from 17 investors across the United States. Paez told the investors that Fly High Investments, Inc., was a hedge fund that managed more than \$50 million in assets. He further promised investors that their money would be invested in safe investments. A review of bank and brokerage records revealed that the \$50 million hedge fund did not exist. The records also showed that although Paez invested a small portion of the investors' funds in high-risk investments, the vast majority of the investors' money was misappropriated by Paez. The United States Attorney's Office for the Southern District of Florida prosecuted this case. [Press Release: Former Miami Securities Professional Sentenced to 37 Months for Securities Fraud in Connection with Multi-State Investment Scheme](#)

#### Sentencing of Principal Defendant in \$30 Million Ponzi Scheme

On February 24th, 2014, Judge Kenneth A. Marra of the United States District Court of the Southern District of Florida (West Palm Beach) sentenced George

Louis Theodule to 12.5 years in federal prison to be followed by 3 years probation for his role in orchestrating a massive Ponzi scheme targeting the Haitian-American community. Theodule's actions resulted in \$30 million in losses to primarily Haitian-American investors throughout South Florida. Four months earlier, on October 28th, 2013, Theodule pleaded guilty to one count of mail fraud for his role in the scheme. Prior to that plea, Theodule had been indicted on 36 counts of wire fraud, one count of securities fraud, and three counts of money laundering, which led to his arrest on August 23, 2013. Theodule has been incarcerated since the date of his arrest. A joint OFR/FBI investigation determined that from July 2007 through December 2008, Theodule falsely represented to investors that he was an investment guru, capable of doubling their investments every 30 to 90 days. Theodule advertised the investment through churches, word of mouth, seminars and presentations to groups. He enticed others to form investment clubs from which investors pooled their monies and then turned it over to him. Consequently, investors formed more than 100 clubs in more than seven states. An OFR analysis of the bank and brokerage records revealed that Theodule opened a number bank accounts and brokerage trading accounts with online brokerage firms to trade securities. Theodule lost all the money he invested in the trading accounts while assuring investors that their monies were safe and guaranteed. Furthermore, Theodule was paying older investors with money from newer investors and used a significant amount of investors' money to fund his extravagant lifestyle, including renting two mansions in Georgia, paying for his wedding, large monetary gifts to his girlfriends, relatives, and trips abroad. On December 29, 2008, the Securities and Exchange Commission (SEC), with investigative assistance from the OFR, filed a complaint against Theodule and his various companies. In March 2010, the SEC obtained a Judgment of Permanent Injunction and Other Relief against Theodule and the court ordered him to pay \$5,099,512 in disgorgement.

### **Jury Finds Man Guilty of \$25 Million Precious Metals Fraud**

On February 27, 2014, Arthur John Schlecht was found guilty of wire fraud and conspiracy to commit mail and wire fraud for his role in orchestrating an elaborate precious metals investment scheme resulting in over \$25 million in losses to investors. The verdict of guilt follows a four week federal trial and three days of jury deliberations. Schlecht was immediately taken into custody following the verdict. Schlecht, along with his associates Frederick Gomer, Carlos Rodriguez and Ricardo Padron were indicted on these charges on August 9, 2012. A fifth defendant, Robert Roca, was charged in a superseding indictment several months later. A joint OFR and federal investigation determined that the defendants operated an elaborate precious metals investment fraud through their companies, Global Bullion Trading Group, WJS Funding, Inc. d/b/a Capital Asset Management and Certified, Inc. The defendants ran a boiler room, which solicited investors to purchase precious metals using leveraged/margin accounts. Investors were led to believe they were purchasing physical metals and that their metals would be held in personalized accounts. Investors were also told they had the ability to take possession of the precious metals at any time, subject to

handling fees, postage and insurance. The investigation found that the subjects did not purchase physical metals or maintain individual accounts on behalf of investors. Instead, the defendants appropriated \$5.7 million for their personal use and for the benefit of family members. Gomer, Rodriguez, Roca and Padron have each pled guilty to the charges in the indictment. Roca was sentenced to 36 months in prison for his role in the scheme on September 30, 2013. Rodriguez and Padron await sentencing in April 2014. Gomer passed away in January 2014. The OFR, FBI and U.S. Postal Inspection Service participated in the investigation. Staff from the Securities and Exchange Commission, the Federal Trade Commission, the Financial Services Authority (U.K.), the National Futures Association, the Commodity Futures Trading Commission and the United States Probation Office also assisted with the case.

#### Pinellas County Circuit Court Issues Temporary Injunction to Halt Alleged Ongoing Investment Fraud

On March 5th, 2014, Pinellas County Circuit Court Judge A. Rondolino issued an order imposing a temporary injunction and the appointment of a receiver against Tri-Med Corporation (Tri-Med), its principals and affiliated entities. The order follows an OFR investigation, which revealed Tri-Med Corporation, headquartered in Palm Harbor, Florida, operated an alleged \$13 million Ponzi scheme targeting mostly elderly investors. The victims in this case made investments based on representations that Tri-Med was purchasing discounted accounts receivable from medical businesses. These receivables were touted by Tri-Med principals as generating significant profits on the basis of successful litigations against the businesses' debtors. Neither Tri-Med nor its principals Jeremy Anderson, Anthony Nicholas, Eric Ager, Irwin Ager or Teresa Simmons Bordinat are registered to sell securities in Florida. Evidence obtained to date revealed that very few active litigations were ever attempted and the majority of the investors' funds were used for the personal benefit of Tri-Med's principals. Less than 25 percent of investor funds have been identified as being used as represented to investors. The OFR's investigation continues.

[Press Release: Injunction Issued Against Tri-Med Corporation in Alleged Fraud](#)

#### Check Cashier Arrested in Tax Refund Fraud Scheme

On March 10, 2014, Garaya Jackson was arrested by the Miami-Dade Police Department on an outstanding warrant issued in Collier County. The arrest is the result of an OFR investigation into Jackson's alleged role as a principal in the operation of an income tax refund fraud scheme. Jackson, of Immokalee, Florida, was charged in February with multiple felonies including operating an unlicensed check cashing business, racketeering and criminal use of personal identification information. The OFR Investigation revealed that from April 2012 through April 2013, Jackson operated Garaya's Fashions, a retail clothing store in Immokalee where she cashed more than 230 third party United States income tax refund checks. The aggregate value of the checks cashed exceeded \$750,000. The investigation also determined that the tax returns were filed using the stolen identities of other individuals. The charges filed against Jackson are only

accusations and the defendant is presumed innocent until proven guilty. The Collier County State Attorney's Office is prosecuting the case.

#### Two Arrested for Role in Fraudulent Factoring Scheme

On April 7, 2014, Brian Newton and Vicki Snow were arrested and charged with mail and wire fraud and conspiracy to commit mail and wire fraud resulting from their alleged involvement in a \$6 million fraudulent factoring scheme. Newton and Snow, while working for Dataforce International, Inc., are alleged to have fraudulently factored invoices through Amerifactors Financial Group and Prestige Funding. The investigation revealed that from 2003 through August 2009, Newton and Snow allegedly submitted a series of inflated invoices for factoring. Newton and Snow were also allegedly engaged in "double factoring," which involved submitting the same Dataforce invoices for factoring to both Amerifactors and Prestige. Investors were defrauded for more than \$6 million. The charges filed against the defendants are only accusations and the defendants are presumed innocent until proven guilty. This case is being prosecuted by the U.S. Attorney's Office for the Middle District of Florida and was developed jointly by the OFR and the FBI.

#### Jury Finds Man Guilty of Organized Fraud

On April 8, 2014, a jury in Nassau County found Furman Otis Clark Jr., 65, guilty of organized fraud for his role in a fraudulent land development scheme designed to swindle investors out of more than \$250,000. The verdict was the result of a joint investigation conducted by the Bureau of Financial Investigations and the State Attorney's Office in Nassau County. The investigation revealed that from January 2008 through April 2009, Clark, operating through his company, Novus Ordo Investments, LLC, obtained at least \$250,000 from investors in Florida and Georgia who were told they would receive interests in limited liability companies. Clark falsely represented that their funds would be used for real estate projects and that he had exclusive rights to purchase the properties to be developed. Contrary to representations, however, investigators found that much of the investors' money was used by Clark for his personal expenses and not for land or real estate development. Clark also failed to tell the investors that he has a history of financial problems and is a convicted felon.

[Press Release: Fernandina Beach man sentenced in fraudulent land development scheme](#)

#### Defendant Arrested for Role in Investment Scheme

On May 7, 2014, as a result of an OFR investigation, Floyd C. Raynard of Trinity, Florida, was arrested by the Pasco County Sheriff's Office and charged with four counts of grand theft in relation to an investment fraud scheme, which resulted in losses of \$90,000 to four out-of-state investors. Raynard, who is accused of having organized the fraudulent scheme, is believed to have used his company, Global Tracking Technologies, LLC, (GTT), to obtain funds from investors in New Jersey and Ohio. In discussions with those investors, Raynard is alleged to have misrepresented GTT's technology and profit potential, claiming that Global

Tracking Technologies, LLC, was a rapidly growing global positioning systems business for the trucking industry. Raynard allegedly told investors that the company had developed valuable strategic alliances and sales and marketing agreements, including government contracts that purportedly would generate substantial revenues. GTT and Raynard issued promissory notes to investors that promised to pay nine percent per year. Contrary to representations, however, the OFR's investigation found that Raynard used investor funds for personal expenses and not for the development of his purported global positioning systems business. The charges filed against the defendant are only an accusation and the defendant is presumed innocent until proven guilty.

[Press Release: Arrest Made in Suspected Tampa Area Investment Fraud Scheme](#)

### **Sentencing of Defendant in Investment Fraud Case**

On May 5, 2014, defendant Rodney James pled no contest to a first degree felony count of scheme to defraud. James was sentenced to time served of three years and nine months of imprisonment, ordered to pay \$150,000 in restitution to victims and 10 years of probation. This investigation was opened in July 2007 as an investigative assist to the Lee County Sheriff's Office-Economic Crimes Unit. The scope of the investigative assist was originally limited to possible securities violations. On June 5, 2008, James was arrested and charged with multiple counts of securities fraud and grand theft along with charges of organized fraud and money laundering for his role in a fraudulent stock investment scheme that resulted in \$1.8 million in losses to investors. Between 2004 and 2007, James sold stock to at least seven Florida investors in companies that either had no assets, were dissolved or he did not own. James also issued duplicate stock certificates to different investors with different values. James used the majority of investor funds for his personal expenses without the investors' knowledge or consent. This case was prosecuted by the State Attorney's Office in Lee County.

### **Four Indicted in Alleged Jupiter Ponzi Scheme**

On May 8, 2014, John Signore, Laura Signore, Paul Schumack and Craig Hipp were indicted by a federal grand jury for their involvement in the Jupiter, Florida, based Ponzi scheme that sold Virtual Concierge machines to over 1,500 investors. The Signores and Paul Schumack are charged with conspiracy to commit mail and wire fraud, bank fraud and related money laundering charges. Laura Signore served as executive vice president of JCS. Hipp, the president of manufacturing and operations for JCS, was charged with one count of conspiracy to commit mail fraud, one count of mail fraud and one count of wire fraud. These machines sold for \$2,500 - \$3,500 based on promises that investors would receive \$300 a month for three years. To date, it appears that the companies collected more than \$70 million from approximately 1,500 investors. To persuade the investors that the machines were being built and placed, Signore rented a luxury office and warehouse space in Jupiter. The investigation determined that approximately 26,000 machines were sold, but there were no more than 500 actually placed in locations. The OFR assisted the FBI and SEC in this matter by

providing both agencies with bank records and investor complaints in support of their actions. The charges filed against the defendant are only an accusation and the defendant is presumed innocent until proven guilty.

#### Four Individuals Charged in Multi-Million Dollar Mortgage Fraud Scheme

On May 15, 2014, a grand jury in Miami, Florida, indicted Karl A Oreste, Marie Lucie Tondreau, O.J. Odunna and Kelly Augustin on six counts of wire fraud affecting a financial institution and one count of conspiracy to commit wire fraud. The indictment alleges that from December 2005 through May 2008, the defendants advertised residential loan programs being offered by KMC Mortgage Corporation of Florida (KMC) on local South Florida radio shows, targeting the Haitian community. Prospective borrowers who responded to the radio ads were recruited to become straw buyers of a residential property for compensation. The defendants also recruited relatives and other members of the Haitian community to become straw buyers. The defendants told the straw buyers that they (the defendants) would make the required mortgage payments and the straw buyers' names would be removed from the properties within a year. The indictment alleges that once the defendants identified properties for sale in Broward and Miami-Dade Counties, KMC submitted fraudulent loan applications and other related documents to various lenders on behalf of straw purchasers. The indictment further alleges that Tondreau and Augustin used their companies to provide false employment verifications for persons acting as straw buyers. Oreste is alleged to have conspired with Odunna, the closing agent, to create multiple Form HUD-1 Settlement Statements in order to disguise the fraud to both the lenders and the sellers of the properties. Odunna charged between \$10,000 and \$30,000 per closing for his services. After the closings, the proceeds were given to Oreste who is alleged to have shared them with Tondreau and Augustin. Oreste, Tondreau and Augustin paid the straw buyers between \$5,000 and \$15,000 for the use of their credit in order to secure the loans. Oreste and Tondreau then rented some of the properties and collected the rent payments. Oreste, Tondreau and Augustin made mortgage payments to lenders until they ran out of money, causing lenders to foreclose on the properties and suffer losses of over \$17 million. During the scheme, the lenders funded 54 mortgage loans for a total of approximately \$24 million. The defendants are alleged to have used the proceeds from the fraudulent activity for their personal benefit. Marie Lucie Tondreau was elected mayor of the City of North Miami in June 2013. This investigation was developed jointly by the OFR and the FBI. The U.S. Attorney's Office in Miami is prosecuting the case. An indictment is only an accusation, and a defendant is presumed innocent until proven guilty.

[U.S. Attorney's press release: Four Individuals Charged In Multi-Million Dollar Mortgage Fraud Scheme](#)

#### Guilty Plea Entered in Investment Fraud Case

On June 18, 2014, Matthew Ionno agreed to enter a plea of guilty to one count of conspiracy to commit wire fraud for his role in the operation of Traders Café.

Traders Café, located in downtown Tampa, offered a purported trading platform and a 20 to 1 leverage ratio to day traders identified through social media and internet websites. Traders Café was established in July 2012 by Matthew Ionno and his business partner. Ionno and his partner represented to traders that they had a proprietary trading platform, that Traders Café maintained a secured escrow account and designated trading accounts that would be established for clients. Ionno did not inform clients that funds would be used to cover costs of operations expenses and for personal enrichment. A total of \$473,000 was transferred to a bank account in the name of Traders Café. The funds were not placed into a designated trading account, but rather used to cover operational expenses of the Company and personal expenses of Ionno and his partner. Traders Café and Ionno were not registered with the OFR in any capacity. This investigation was developed jointly with the FBI. The U.S. Attorney's Office in Tampa is prosecuting the case.

#### Investment Fraudsters Sentenced to a Combined 17.5 Years in Prison

On June 26, 2014, U.S. District Judge Richard W. Goldberg sentenced Arthur John Schlecht to 120 months in federal prison to be followed by three years of supervised release for his role in organizing an elaborate Ponzi scheme, which bilked investors out of \$48 million dollars. A day earlier, on June 25, 2014, Judge Goldberg sentenced each of the co-defendants Carlos Rodriguez and Ricardo Padron to 45 months in prison for their roles in the same scheme. The sentences follow a joint OFR and federal investigation, which found that the defendants, operating through their companies, Global Bullion Trading Group, WJS Funding, Inc. (d/b/a Capital Asset Management) and Certified, Inc., solicited investors to purchase precious metals using leveraged/margin accounts in what turned out to be nothing more than an elaborate Ponzi scheme. Investors were led to believe they were purchasing physical metals, and that their metals would be held in personalized accounts. Investors were also told they had the ability to take possession of the precious metals at any time, subject to handling fees, postage and insurance. Contrary to representations, the investigation found that the subjects did not purchase physical metals or maintain individual accounts on behalf of investors. Instead, the defendants appropriated \$5.7 million for their personal use and for the benefit of family members. On February 27, 2014, following a four week federal trial, defendant Schlecht was found guilty of wire fraud and conspiracy to commit mail and wire fraud for his role as orchestrator of the scheme. He and the other defendants were indicted on August 9, 2012. Rodriguez and Padron pled guilty to the charges in the indictment and averted trial. Two other defendants indicted in the case, Robert Roca and Frederick Gomer, pled guilty to the charges in the indictment as well. Roca was sentenced to 36 months in prison on September 30, 2013, and Gomer passed away in January 2014 prior to sentencing.

#### Former Pastor Arrested for Role in Alleged Investment Fraud

On July 14, 2014, Wesley Alan Brown was arrested in North Carolina for his role in a fraudulent securities scheme carried out in Flagler County, Florida. Brown is

charged with seven counts of sale of unregistered securities, five counts of securities fraud, four counts of grand theft and one count of sale of securities by an unregistered dealer. This investigation was conducted in conjunction with the Flagler County Sheriff's Office and Flagler County State Attorney's Office. Allegedly, from December 2010 through June 2012, Brown offered and sold unregistered, non-exempt securities to at least six residents of Flagler County, Florida in an amount exceeding \$395,000. Brown, who at the time was an assistant pastor at a local church, solicited church members to invest in the stock of Maverick International, Inc. Brown purportedly told investors that Maverick was a diversified private company located in Delaware, which invested in precious metals and commodities. He also told investors that he invested in the company himself and that the investment had no risk and high potential for growth. Allegedly, Brown did not make any other disclosures to the investors as required by law. In or about October 2012, Brown informed investors that their entire investment in Maverick was lost due to a collapse of a third-party commodities brokerage firm that held Maverick's investments. The investigation revealed that Maverick, believed to be run by Brown's brother-in-law, invested in highly speculative commodities futures and suffered substantial losses as a result of unsuccessful trading. Additionally, it was determined that Brown deposited at least \$60,000 of investors' money directly into his personal account titled "Wesley Alan Brown DBA Maverick International" and purportedly used the funds for his own personal enrichment. Bank records also revealed that Maverick paid Brown's credit card bills totaling over \$84,000. The charges filed against the defendant are only an accusation and the defendant is presumed innocent until proven guilty. The case is being prosecuted by the State Attorney's Office, 7th Judicial Circuit, Flagler County.

[Press Release: Former Pastor Arrested in Investment Fraud Scheme](#)

#### Mortgage Lender Pleads Guilty in Multi-Million Dollar Mortgage Fraud Scheme

On July 16, 2014, Karl Oreste pled guilty to one count of conspiracy to commit wire fraud affecting a financial institution, in violation of Title 18, United States Code, Section 1349. According to documents filed with the court and statements made in court during the plea, Oreste, president of KMC Mortgage Corporation of Florida (KMC), along with co-defendants, Okechukwu Josiah Odunna, Marie Lucie Tondreau and Kelly Augustin, operated a multi-million dollar mortgage fraud scheme in Miami-Dade and Broward Counties between December 2005 and May 2008. Oreste and Tondreau hosted several radio show programs, which catered to the South Florida Haitian community. During these programs, they advertised the services offered by KMC. Oreste and Tondreau recruited and paid some of the listeners who responded to those advertisements, as well as other individuals, to pose as borrowers to purchase properties identified by Oreste. Augustin, an employee of KMC, also recruited straw borrowers. According to statements made in court, Oreste, Odunna and other co-conspirators prepared or caused to be prepared loan applications on behalf of straw borrowers. These loan applications included false information relating to employment, wages, assets and intent to make the property being purchased a primary residence.

The loan applications and documents were submitted by co-conspirators to various mortgage lenders throughout the United States. At closing, a portion of loan proceeds were disbursed to Oreste through his companies. Oreste disbursed some of the proceeds that he received to pay recruiters, such as Tondreau and Augustin, and straw borrowers. Oreste also transferred a substantial portion of the funds to the bank account of a company controlled by Tondreau who used the funds to make payments on the falsely and fraudulently obtained mortgages in order to maintain the loans, and to conceal and further the fraud. She also used a portion of the funds for her own personal use and benefit. Over the course of the conspiracy, the defendant fraudulently obtained loans on over 20 properties, for which the lenders have suffered losses in the amount exceeding \$11,000,000.

[Press Release: Mortgage Lender Pleads Guilty In Multi-Million Dollar Mortgage Fraud Scheme](#)

#### Miami Radio Personality Charged in Purported Ponzi Scheme

On July 17, 2014, Phillippe Bourciquot was arrested and charged with racketeering, securities fraud, grand theft and money laundering in connection with an alleged active Ponzi scheme targeting the Haitian-American community in South Florida. From November 2012 through the present, Bourciquot is alleged to have used a daily radio broadcast to solicit more than \$3 million from approximately 600 investors residing in Miami-Dade, Broward and Palm Beach counties. Bourciquot is alleged to have encouraged listeners to “lend” him money to make investments in the currency markets in exchange for a fixed return of 8% per month. Bourciquot claimed he could achieve those returns based on his expertise in the foreign exchange market (“forex”) where he insisted that he routinely traded currencies from “18 different countries.” Listeners were told that their investments could not lose money and that they would be issued promissory notes in exchange for placing their funds with Bourciquot. However, contrary to his representations, the investigation alleges that much of the investors’ money was used to pay Bourciquot’s personal expenses and to make Ponzi payments to previous investors. Concurrent with his arrest, a search warrant was executed on Bourciquot’s home and office and his bank accounts were frozen. This case was developed jointly with FDLE and is being prosecuted by the Office of Statewide Prosecution. The charges filed against the defendant are only an accusation and the defendant is presumed innocent until proven guilty.

[Press Release: Miami Radio Personality Arrested in Ponzi Scheme](#)

#### Former Tampa Broker charged with Grand Theft and Organized Scheme to Defraud

On June 21, 2014, The Office of the State Attorney, 13th Judicial Circuit in Hillsborough County filed a criminal complaint against Michael John Hester alleging two counts of grand theft and one count of organized scheme to defraud. Hester is a formerly a licensed securities broker who was barred by FINRA in 2012 for engaging in private securities transactions without approval of his employing firm. The OFR investigation revealed that from July 2009 through

January 2010, Michael Hester solicited \$55,000 from at least two investors for investment in his company, MMFH 1, LLC. Hester told investors that through MMFH 1, LLC he would purchase foreclosed properties, remodel the properties and sell them at a profit. Investors signed 60-day promissory notes with promised returns ranging from 20% to 40%. The investigation alleged Hester did not use the investors' monies to purchase and resell homes, but rather appropriated the majority to himself through ATM and cash withdrawals. The OFR was the sole investigative agency on this case. The Hillsborough County State Attorney's Office is prosecuting the case. The charges filed against the defendant are only an accusation and the defendant is presumed innocent until proven guilty.

#### Miami Beach Man Sentenced to 10 Years in Fraud Case

On August 28, 2014, a jury in Miami-Dade County found Joseph Patrick Fox guilty of second degree grand theft following a three-day trial. Fox was tried on charges related to the sale of investments in his Miami Beach business, Telogenesis, Inc. Fox claimed that Telogenesis had developed an anti-aging "yogurt cream" that reversed the hair loss process in men and restored original hair color. He told investors that their money would be used to fund equipment purchases as well as pay for labor, testing, advertising and clinical trials of the miracle product dubbed "Igrowhair." Fox collected approximately \$380,000 from investors throughout Miami-Dade County. Contrary to his claims, the OFR's investigation revealed that investors' funds were used to cover Fox's lavish personal expenses. Fox was sentenced to ten years of imprisonment to be followed by five years of probation. He has been in the custody of the Miami-Dade Corrections Department since his arrest on December 28, 2010, on charges related to this case. He is expected to be transferred to a state prison to serve the remaining portion of his sentence.

[Press Release: Miami Beach Man Sentenced to 10 Years in Fraud Case](#)

#### Two Naples Men Arrested for Roles in Advance Fee for Loan Scheme

On September 12, 2014, Douglas Carter and James Spillers were arrested and charged with grand theft, scheme to defraud, and 18 individual counts of violating Chapter 687.141, F.S., in connection with an elaborate advance fee for loan fraud. Carter and Spillers are accused of assessing and collecting more than \$185,000 in advance fees from prospective borrowers on the promise of obtaining commercial loans. Evidence obtained during the course of the investigation suggests that the loss to prospective borrowers within and outside of the state is likely greater than \$900,000. Simultaneous to the arrests, and with assistance from the Collier County Sheriff's Office, a search warrant was executed at Carter and Spillers' home in Naples. From December 2012 through March 2014, Carter and Spillers 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 in Florida). No loans or refunds have ever materialized. The charges were the result of a joint investigation between OFR and the Volusia County Sherriff's Office. The Office of Statewide Prosecution is

prosecuting the case. The charges filed against the defendants are only an accusation and the defendants are presumed innocent until proven guilty.

[Press Release: Naples Men Arrested in Suspected Advance Fee for Loan Scheme](#)

#### Four Arrested in Alleged Palm Beach County Investment & Money Laundering Scheme

On October 24, 2014, the OFR, the Attorney General's Office and the Florida Department of Law Enforcement brought down a \$1.2 million money laundering scheme that targeted at least 17 people from around the country and their retirement funds. The collaborative investigation culminated with the arrest of four people who allegedly operated several shell companies to broker the buying and selling of precious metals as an investment option when, in reality, less than one percent of the money the victims withdrew from their retirement funds was used for these types of investments. The defendants assured the people they targeted, the majority of whom were senior citizens, that the investments would turn a quick profit. The six defendants opened more than 30 bank accounts to which victims mailed checks or wired funds. The company shell names used by the defendants were Bowman & Poole, Inc., Cavallo Consulting Group, Inc., DMR & BMR Corp., DRBR Financial, Inc., JD&A Investment Services, Inc., JDC United Metals, Corp., Project Insider Development Investments, LLC, and Project Insider, Inc. All of the defendants are facing charges in a racketeering information for grand theft, fraudulent securities transactions, money laundering and unlicensed telemarketing. If convicted, they face substantial prison time, fines and restitution. Two of the six who participated in the scheme remain at-large. This was a joint investigation between OFR and FDLE. The Office of the Statewide Prosecution will be prosecuting this case.

[Press Release: Six Individuals to be Arrested for More Than \\$1.2 Million Scheme Targeting People's Retirement Funds](#)

#### Five Arrested in Investment Fraud Scheme

On October 28, 2014, federal grand jury indictments were unsealed against defendants Christopher Anzalone, Jeffrey Schuler, Jacob Bradshaw, David O. Boyce and Benjamin Williams. The defendants were charged with various offenses including mail fraud, wire fraud and conspiracy to commit mail and wire fraud. The charges they face stem from their involvement in an elaborate fraud scheme involving purported investments in precious metals and stocks. The investments were sold under various corporate names including Liberty International Holdings Corporation (LIHC), Liberty International Financial Services (LIFS), Allied Strategies, Inc., Allied Marketing, LLC, and DBA Clearing, LLC. The OFR investigation related to Allied Marketing, LLC, and Allied Strategies, Inc. (Allied). Allied's bank records along with investors' sworn statements revealed that defendants raised \$3.3 million from 23 investors from March 2013 to October 2013. Allied investors were led to believe that LIHC stock had value due to the company's holdings in real estate and/or precious metals, when in fact, LIHC had no holdings in real estate or precious metals. The review

of financial records revealed that the money raised by Allied from investors was never used for the purposes represented to the investors. Instead, the money was used to pay sales commissions and for Anzalone's personal benefit. This investigation was developed jointly by the OFR and the FBI. The U.S. Attorney's Office in Miami is prosecuting the case.

[Press Release: Five Charged In \\$16 Million Investment Fraud](#)

#### Brevard Men Plead Guilty in Ponzi Scheme Involving Phony Certificates of Deposit

On November 12, 2014, Donald Ray Babb of Merritt Island and Ralph Ruth of Melbourne each pled guilty to one count of conspiracy to commit wire fraud in violation of 18 U.S.C. § 1349 in United States District Court for the Middle District of Florida. From June 2006 through December 2013, Babb and Ruth bilked 181 investors out of nearly \$19 million through their companies, First Merchant Capital, LLC, Capstar Industries, LLC, and Southeast Mutual Insurance and Investment, LLC, located in Melbourne and Tampa, Florida. Ruth and Babb solicited investors through advertisements in local newspapers for Certificates of Deposit (CDs) with high rates of return. The companies were falsely represented as licensed financial institutions whose deposits were insured by the FDIC. Funds raised through CD sales were not used to purchase CDs, but rather were used to pay returns to other investors in the form of interest payments, as well as to pay the personal expenses of Babb and Ruth. Babb and Ruth mailed quarterly statements falsely detailing investor account balances from purported CDs sold by First Merchant, LLC, Capstar Industries, LLC, and/or Southeast Mutual Insurance and Investment, LLC. The charges carry a maximum penalty of up to 20 years in prison. The plea agreement calls for a forfeiture of assets and a money judgment in the amount of \$18,731,125.58. The OFR opened the investigation on First Merchant Capital on October 18, 2013. On November 27, 2013, the OFR obtained a court order imposing a Temporary Injunction and Appointment of Receiver against Babb and Ruth and the related companies. Michael Moecker & Associates was appointed as receiver. OFR Investigators worked with the receiver to uncover assets and secure the office locations. In addition to taking over the company, the receiver has frozen multiple bank accounts and uncovered assets including three boats, three aircrafts and four properties, which will be sold for the benefit of defrauded investors. This OFR investigation was developed jointly with the FBI and the Brevard County Sheriff's Office. The U.S. Attorney's Office in Orlando is prosecuting the case.

#### Tampa Man Enters Plea Agreement For Role in Investment Fraud

On November 18, 2014, Albert Joseph Scipione entered into a plea agreement in the United States District Court, Middle District of Florida. Scipione agreed to enter a plea of guilty to one count of conspiracy to commit wire fraud in violation of 18 U.S.C. § 371 for his role in the operation of Traders Café, a company located in downtown Tampa that offered a purported trading platform and 20:1 leverage to day traders identified through social media and internet web sites. Traders Café was established in July 2012 by Scipione and his business partner,

Matthew Lonno, who pleaded guilty in July 2014 to conspiracy to commit wire fraud. Scipione and Lonno represented to traders that they had a proprietary trading platform, that Traders Café maintained a secured escrow account and designated trading accounts that would be established for clients. Scipione and Lonno did not inform clients that their funds would be used to cover operating expenses as well as their own personal expenses. The investigation determined that more than \$473,000 was transferred to a bank account in the name of Traders Café. The funds were not placed into a designated trading account, but rather used to cover operational expenses of the company and personal expenses of Scipione and Lonno. Traders Café, Scipione and Lonno were not registered with the SEC or the OFR in any capacity. Scipione is scheduled to enter a guilty plea on December 5, 2014. Lonno is scheduled to be sentenced January 14, 2015. They each face up to five years in prison and a judgment in the amount of \$473,741.74, representing restitution to the victims. This OFR investigation was developed jointly with the FBI. The U.S. Attorney's Office in Tampa is prosecuting the case.

#### Defendant Sentenced for Role in Ponzi Scheme

On December 1, 2014, Ruth Rodriguez-Liverpool was sentenced to three years of time served in prison and seventeen years of probation for her role in an investment fraud scheme. On July 22, 2011, Liverpool was arrested and charged with first degree organized fraud. The OFR investigation revealed that from March 2007 through December 2008, Liverpool obtained \$2,485,000 from 60 investors nationwide. Liverpool claimed she managed and controlled an import and export company that purportedly generated profitable returns for investors by shipping materials to Haiti. The investigation determined little or no income was generated by the purported shipping operation and there was no way for Liverpool to generate the high rates of return promised to investors. Instead, Liverpool used new investors' funds to pay returns to earlier investors and misappropriated investors' money for her personal gain. The Broward County State Attorney's Office prosecuted this case.

#### Online Dating Conman Found Guilty of Grand Theft

On December 8, 2014, Scott Campbell was found guilty of one count of grand theft over \$100,000 after a weeklong trial. Campbell had previously been arrested on June 5, 2013, by Flagler County Sheriff's Deputies on an Osceola County warrant based on allegations that he had obtained in excess of \$1,000,000 from victims. Campbell is scheduled to be sentenced on February 13, 2015. The investigation revealed that, since 2003, Campbell had been approaching women, mostly through the use of online dating sites and offering them investment opportunities in his businesses: BDO Records, Inc. and Give Me A Chance Talent Agency, Inc. Campbell allegedly would show interest in building personal relationships with his victims, but quickly introduced them to his businesses and sought their investments instead. Campbell represented himself and his businesses as being successful and stated that the investments would be used for recordings and upcoming tours. In contrast to his promises, Campbell

put the investors' funds to personal use including large amounts spent on gambling. The OFR was responsible for 100 percent of the investigative work on this case. The Osceola County Sheriff's Office, Brevard County Sheriff's Office, Flagler County Sheriff's Office and the Florida Department of Law Enforcement all assisted with Campbell's apprehension. The case was prosecuted by the Office of Statewide Prosecution.

[Press Release: Orlando Man Guilty in Online Dating Scheme](#)

#### Former North Miami Mayor Convicted for her Involvement in a Multi-Million Dollar Mortgage Fraud Scheme

On December 16, 2014, after a 12-day trial, a federal jury convicted former North Miami Mayor Marie Lucie Tondreau, a/k/a "Lucie Tondreau," 54, for her role in an \$8,000,000 mortgage fraud scheme. Tondreau is scheduled to be sentenced on March 20, 2015. As shown at trial, between December 2005 and May 2008, co-defendant Karl Oreste, 56, of Miramar, Florida, president of KMC Mortgage Corporation of Florida (KMC Mortgage), identified residential properties in South Florida that were for sale. Oreste and Tondreau (who at the time was a community activist) hosted several radio show programs in the South Florida area where they advertised the services offered by KMC Mortgage. Oreste and Tondreau recruited and paid some of the listeners who responded to those advertisements, as well as other individuals, to pose as borrowers and purchase properties identified by Oreste. Oreste and co-defendant Okechukwu Josiah Odunna, a/k/a "O.J. Odunna," 49, of Lauderdale Lakes, Florida, as well as other co-conspirators, prepared or caused to be prepared loan applications on behalf of straw borrowers recruited by Oreste and Tondreau. Odunna was an attorney previously licensed to practice law in Florida, and president of O.J. Odunna, P.A. and Direct Title and Escrow Services (Direct Title). These loan applications included false information relating to employment, wages, assets and intent to make the property being purchased a primary residence. The loan applications and documents were submitted by co-conspirators to various mortgage lenders throughout the United States. At closing, a portion of loan proceeds were disbursed to Oreste who also transferred a substantial portion of the funds to Tondreau. Tondreau received in excess of \$300,000 into a business account controlled by her, and in excess of \$100,000 into her personal bank accounts. Oreste previously pled guilty to conspiracy to commit wire fraud and is scheduled to be sentenced on January 12, 2015. This investigation was developed jointly by OFR and the FBI. The U.S. Attorney's Office in Miami prosecuted the case.

[Press Release: Former North Miami Mayor Convicted for Her Involvement in a Multi-Million Dollar Mortgage Fraud Scheme](#)