

GOVERNOR RICK SCOTT
MONTHLY AGENCY ACHIEVEMENT REPORT
OFFICE OF FINANCIAL REGULATION
JANUARY 2015

JANUARY ACHIEVEMENTS

1. Monthly Statistics

- Division of Securities
 - Examinations Opened: 15
 - Examinations Closed: 14
 - Complaints Received: 14
 - Complaints Closed: 11
 - Applications Received: 7,059
 - Applications Approved: 6,750
 - Applications Denied/Withdrawn: 56

- Division of Consumer Finance
 - Examinations Opened: 23
 - Examinations Closed: 28
 - Complaints Received: 157
 - Complaints Closed: 168
 - Applications Received: 1,292
 - Applications Approved: 1,508
 - Applications Denied/Withdrawn: 81

- Division of Financial Institutions
 - Examinations Opened: 10
 - Examinations Closed: 23
 - Complaints Received: 64
 - Complaints Closed: 60
 - Applications Received: 4
 - Applications Approved: 4
 - Applications Denied/Withdrawn: 0

- Bureau of Financial Investigations
 - Investigations Opened: 9
 - Investigations Closed: 7

2. Substantial Regulatory Actions

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

On January 21, 2015, the Division of Securities entered a Final Order against

Walsh Consulting Group, Inc., d/b/a Ashford Investment Advisors, for engaging in prohibited business practices by failing to file audited financial statements, send clients itemized invoices and comply with the custody requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. A \$5,000 administrative fine was paid.

3. Enforcement Actions

Civil Enforcement Complaint Filed Against Jacksonville Commodity Pool

On January 6, 2015, the Commodities Futures Trading Commission (CFTC) filed a civil complaint in the U.S. District Court for the Middle District of Florida charging defendants Allied Markets, LLC, and its principals Joshua Gilliland and Chawalit Wongkhiao, all of Jacksonville, Florida with operating a fraudulent foreign currency (forex) commodity pool in violation of the Commodity Exchange Act (CEA) and CFTC Regulations. On January 7, 2015, an Emergency Order freezing and preserving assets under the defendants' control and prohibiting destruction of documents was issued by U.S. District Judge Marcia Morales. The action followed a joint OFR/CFTC investigation that determined since January 2012, the defendants fraudulently solicited more than \$1 million from members of the public to trade forex in a commodity pool. Defendants Gilliland and Wongkhiao allegedly misappropriated funds to pay for personal expenses, including restaurants and entertainment, travel, hotels, rental cars and rent for their residence in Jacksonville Beach, Florida. Defendants also allegedly paid purported trading profits and principal to pool participants in the manner of a Ponzi scheme, according to the complaint. The investigation also determined the defendants solicited members of the public to send them money for forex trading by fraudulently guaranteeing specific trading returns and by making material misrepresentations regarding their trading expertise and results, including that the defendants' forex trading was generating large profits. OFR investigators assisted in the execution of the order, seizing computers and certain paper files. The investigation by the OFR is ongoing.

Defendant Enters Guilty Plea in Investment Fraud Case

On January 9, 2015, Christopher Anzalone, pled guilty in federal court to a charge of conspiracy to commit wire fraud. Earlier, on September 30, 2014, Anzalone was charged with conspiracy to commit mail and wire fraud. The charges were related to his 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. Anzalone's co-defendants in the case, Jeffrey Schuler, Jacob Bradshaw, David O. Boyce and Benjamin Williams were also charged with various offenses including mail fraud, wire fraud and conspiracy to commit mail and wire fraud. As of October 28, 2014, each of the co-defendants had been arrested and each are presently awaiting trial. The OFR's investigation focused on Allied Marketing, LLC, and Allied Strategies, Inc. (Allied). Allied's bank records along with investors' sworn statements revealed that the defendants raised \$3.3 million from 23 Allied investors between March 2013 and 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, but instead was used to pay sales commissions and for Anzalone's personal living expenses. All told, the money raised by the defendants through each of the various companies named in the criminal filings was more than \$16 million. This investigation was developed jointly with the FBI. The U.S. Attorney's Office in Miami is prosecuting the case. Sentencing of Anzalone is set for March 27, 2015. Anzalone faces a term of imprisonment of up to 20 years and a fine of up to \$250,000.

[Press Release: California Resident Pleads Guilty For Leading A \\$16 Million Investment And Commodities Fraud Scheme](#)

Futures Trader Arrested and Charged with Fraud

On January 12, 2015, Dante Giovannetti was arrested by the Royal Canadian Mounted Police in Vancouver Island, British Columbia. A criminal complaint against Giovannetti was filed on November 20, 2014, by the United States Attorney's Office and a warrant was issued for his arrest. Giovannetti, a NFA registered commodity trading advisor, has been charged with wire fraud for allegedly defrauding three investors out of approximately \$700,000 in a scheme that promised high returns. Giovannetti purportedly promised investors, which he found mostly through word of mouth, returns of nearly 300 percent from profitable trades in the equity futures markets. However, an investigation found no evidence of such returns. Instead, it appears that Giovannetti produced false trading account statements to support of his claims. The false trading account statements allegedly produced by Giovannetti were used to induce at least three individuals to invest and showed tens of millions of dollars in fictitious profits from trading "E-mini" S&P 500 futures contracts and over \$53 million in cash on deposit. Giovannetti, who has been deported from Canada and turned over to the U.S. Marshals Service, is currently being held in Washington state awaiting transport to Florida. This case is being developed jointly with the FBI based on information obtained from the National Futures Association and the Commodities Futures Trading Commission. The criminal case against Giovannetti is being prosecuted by the United States Attorney's Office in the Middle District of Florida.

Tampa Man Sentenced to 24 Months in Prison for Role in Investment Fraud

On January 14, 2015, Matthew Pasquale Ionno was sentenced to 24 months in federal prison, 36 months supervised release and restitution in the amount of \$450,091.18 for his role in the operation of a fraudulent day trading company. On June 18, 2014, Matthew Ionno 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. Traders Café, located in downtown Tampa, offered a purported trading platform and 20 to 1 leverage to day traders identified through social media and internet web sites. Traders Café was established in July 2012, by Matthew Ionno and his Business Partner, Albert Scipione. Ionno and Scipione 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 and Scipione did not inform clients that their funds would be used to cover operating expenses as well as their own personal expenses. 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 Scipione. Traders Café, Ionno and Scipione were not registered with the SEC or the OFR in any capacity. Scipione is scheduled to be sentenced on February 22, 2015, in United States District Court, Middle District of Florida. This investigation was developed jointly between OFR and the FBI. The U.S. Attorney's Office in Tampa prosecuted the case.

Man Sentenced for Role in IRS Tax Refund Fraud

On January 26, 2015, Ernest Freeman, sole owner of Freeman & Freeman, Inc., of Fort Myers, was sentenced to 44 months in federal prison to be followed by 24 months of supervised release. On October 27, 2014, a jury found defendant Freeman guilty on all charges including 11 counts of Title 18 U.S. Code § 641 related to theft of government funds and 11 counts of Title 18 U.S. Code § 1028A related to aggravated identity theft. The OFR became involved in this case at the request of the U.S. Attorney's Office for the Middle District of Florida. The federal investigation revealed that Freeman had the sole signature authority for a bank account at Fifth Third Bank for Freeman & Freeman Inc., a construction company specializing in stucco and concrete work operating in Immokalee. The bank records revealed that from May 2011 through June 2012, Freeman doing business as Freeman & Freeman, deposited and cashed 121 IRS tax refund checks totaling \$677,127.91 that were fraudulently obtained by others. Freeman charged 10 – 15 percent of the face value of the check as a fee for his services. This case was prosecuted by Assistant U.S. Attorney Yolande Viacava.

4. Communications and Outreach Activities

On January 13, 2015, a column "Jumpstart the New Year with Healthy Financial Habits," by OFR Drew J. Breakspear appeared in Sunshine State News.

On January 13, 2015, OFR staff participated in the Suncoast Bankers Compliance Association annual meeting. The panel included OFR staff, an Assistant US Attorney, an IRS Special Agent and a US Immigration and Customs Enforcement Supervisor. As representatives of the Tampa SAR review team, the panel discussed the use of SARs in criminal and civil prosecutions and current trends in financial fraud.

On January 14, 2015, the OFR issued a press release announcing the second edition of OFR's Fast Facts.

[Press Release: Office of Financial Regulation Releases 2014 Fast Facts](#)

On January 14, 2015, the OFR issued a consumer alert on loan modification scams.

[Consumer Alert: Loan Modification Scams](#)

On January 15, 2015, an OFR investigator attended a meeting of the Financial Institution Security Association in Miami. The investigator was able to share information about the OFR's role in combating financial fraud with all attendees, many of whom were new to the organization. This event is attended by local, state and federal law enforcement agents who specialize in financial crimes investigations and is hosted by representatives of the Association's member financial institutions. There were approximately 50 persons in attendance.

On January 16, 2015, members of the Division of Consumer Finance participated in the Florida Association of Mortgage Professionals (FAMP) Regulatory Symposium in Tampa. Topics discussed included expectations related to examinations, effects of statutory changes in renewals and reactivations and industry trends. Approximately 135 association members attended the event.

On January 20, 2015, the OFR issued an industry alert regarding retail installment license renewal.

[Industry Alert: Retail Installment License Renewal](#)