

# GOVERNOR RICK SCOTT

## MONTHLY AGENCY ACHIEVEMENT REPORT

### OFFICE OF FINANCIAL REGULATION

June 2016

#### JUNE ACHIEVEMENTS

##### 1. Monthly Statistics

- Division of Securities
  - Examinations Opened: 11
  - Examinations Closed: 10
  - Complaints Received: 11
  - Complaints Closed: 10
  - Applications Received: 3,758
  - Applications Approved: 3,798
  - Applications Denied/Withdrawn: 96
  
- Division of Consumer Finance
  - Examinations Opened: 23
  - Examinations Closed: 32
  - Complaints Received: 133
  - Complaints Closed: 112
  - Applications Received: 1,189
  - Applications Approved: 1,149
  - Applications Denied/Withdrawn: 44
  
- Division of Financial Institutions
  - Examinations Opened: 9
  - Examinations Closed: 10
  - Complaints Received: 54
  - Complaints Closed: 56
  - Applications Received: 17
  - Applications Approved: 28
  - Applications Denied/Withdrawn: 0
  
- Bureau of Financial Investigations
  - Investigations Opened: 9
  - Investigations Closed: 4

##### 2. Substantial Sanctions and Fines

Suspension of Investment Adviser Registration

On June 13, 2016, the Division of Securities entered a final order against Allegiant Financial Advisors, LLC suspending the firm's investment advisor registration after the firm failed to request a hearing. The final order follows an administrative complaint, which alleged Allegiant Financial Advisors, LLC failed to pay a \$12,500 administrative fine, as required in a final order issued by the Division of Securities on January 20, 2016.

#### Final Order for \$20,000 Fine Against an Investment Adviser Firm for Prohibited Business Practices

On June 13, 2016, the Division of Securities entered a final order against Couture Financial, Inc., for engaging in prohibited business practices by failing to maintain an accurate Form ADV, file audited financial statements, maintain accurate investment advisory contracts, obtain written discretionary authority from a client and comply with the custody requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. A \$20,000 administrative fine was paid.

#### Suspension of Investment Adviser Registration

On June 13, 2016, the Division of Securities entered an order of summary suspension against Sine Capital, Inc., for failing to provide the OFR all of the information required by the Florida Securities and Investor Protection Act, Chapter 517, F.S. Sine Capital, Inc.'s registration as an investment adviser firm in the State of Florida is summarily suspended from conducting business.

#### Denial of Associated Person

On June 21, 2016, the Division of Securities entered a final order against James Michael Gustafson, denying his application for registration as an associated person, after he failed to request a hearing. The final order follows a notice of intent to deny, which alleged James Michael Gustafson made a material misrepresentation or misstatement on his application for registration.

#### Final Order for \$5,000 Fine Against a Broker Dealer Firm

On June 21, 2016, the Division of Securities entered a final order against Investment Professionals, Inc., for failing to provide to the OFR all of the information required for a branch office notice filing within 30 days after a written request by the OFR. A \$5,000 administrative fine was paid.

### **3. Enforcement Results**

#### Arrest Warrant Issued in Social Event Investment Fraud Scheme

On June 13, 2016, an arrest warrant for Eric Peer was filed in Hillsborough County based on a charge of grand theft. This case was predicated on a referral from the Florida Office of the Attorney General. Brett Koelsch, a Raleigh, N.C., resident, alleged that on June 12, 2015, he had invested \$20,000 with Peer and his company, ME WATER LLC. Peer represented that the invested amount would be used to produce a 1980's social event called "Shake The Night" (to be held in downtown Tampa on October 31, 2015) and that Koelsch would be paid \$4,000 a

month and would receive 20 percent on any unpaid principal. The investigation found that Peer instead used Koelsch's funds for personal expenses.

#### Arrest Warrant Issued in Real-Estate Investment Fraud Scheme

On June 16, 2016, a warrant was issued in Hillsborough County for the arrest of Kent Davis based on a charge of organized scheme to defraud. The case against Davis is predicated on investor complaints referred by the United States Securities and Exchange Commission and the Florida Office of the Attorney General. The complainants believed that they had placed their money with Davis to invest in bulk bank-owned properties for resale. Davis allegedly promised large returns, and in some instances, told the investors they had ten days or less to invest or the properties would be gone. Investors had no knowledge of which properties were supposedly being purchased; only that they would be purchased in bulk transactions. The investigation revealed, however, that the majority of investor funds was used not for the purchase of real estate, but instead misappropriated by Davis and spent on personal expenses.

#### Man Arrested for Role in Investment Fraud Scheme

On Thursday, June 23, 2016, Anthony St. Prix was arrested by authorities in New York and is currently awaiting extradition to Florida. St. Prix, who is out on bond while awaiting trial in an investment fraud case developed by the OFR, is alleged to have defrauded an additional investor in a scheme involving purported investments in Venezuelan bonds. St. Prix is already facing trial for his alleged involvement in a real-estate investment scheme that defrauded more than 140 primarily Haitian-American victims in South and Southwest Florida. In that case, St. Prix is alleged to have sought investors to participate in "pooled investments" for property development in Southwest Florida as well as investments in foreign currencies, commodities and collateralized mortgage obligations. The investigation revealed that all were fraudulent offerings involving misrepresentations by St. Prix. The victims signed contracts and invested funds in excess of \$3 million based on those misrepresentations. In the present matter, St. Prix is alleged to have defrauded a new investor out of \$170,000 in February 2016. The investor was promised a return of \$1,000,000 within 15 days of his investment of \$20,000 in a Venezuelan bond. St. Prix is also alleged to have taken a \$150,000 advance fee from the investor victim on the promise of obtaining a \$10,000,000 loan for his business. The investigation could not confirm the existence of a Venezuelan bond or evidence that a \$10,000,000 loan was being secured by St. Prix. Instead, a review of relevant bank records revealed that much of the funds from the victim investor were wired to an account controlled by St. Prix's wife and spent on personal expenses. St. Prix is expected to be held without bond upon his return to Florida.

#### **4. Communications and Outreach Activities**

On May 26, 2016, members of the Division of Financial Institutions participated in the Regulator Interagency Meeting at the Federal Reserve Bank of Atlanta in their Miami branch office.

On June 2, 2016, the OFR issued a press release on a disaster preparedness checklist.

[Florida Office of Financial Regulation Highlights Disaster Preparation Financial Checklist](#)

On June 6, 2016, a member of the Division of Financial Institutions participated in the regulator panel at the Florida Bankers Association annual meeting held in Miami Lakes.

On June 10, 2016, Commissioner Drew J. Breakspear was interviewed by the South Florida Business Journal regarding trends in the financial services industry.  
[South Florida Business Journal: Exclusive: Florida's top financial regulator breaks down 3 industry trends](#)

On June 15, 2016, the OFR issued a press release recognizing World Elder Abuse Awareness day.

[Florida Office of Financial Regulation Recognizes World Elder Abuse Awareness Day](#)

On June 17, 2016, Commissioner Drew J. Breakspear was interviewed by the Business Observer regarding state-chartered banks in Florida.

[Business Observer: It's a small world](#)

On June 26, 2016, an opinion editorial by Commissioner Drew J. Breakspear appeared in the Miami Herald.

[In Case You Missed It: Miami Herald: Floridians: Be alert to financial scammers](#)

On June 27, 2016, an opinion editorial by Commissioner Drew J. Breakspear appeared in the Tallahassee Democrat.

[In Case You Missed It: Tallahassee Democrat: Decrease your financial fraud risk with simple steps](#)

On June 27, 2016, the OFR issued a consumer alert on vacation scams.

[Consumer Alert: Vacation Scams](#)