

GOVERNOR RICK SCOTT

MONTHLY AGENCY ACHIEVEMENT REPORT

OFFICE OF FINANCIAL REGULATION

MAY 2013

MAY ACHIEVEMENTS

1. Monthly Statistics

- Division of Securities
 - Examinations Opened: 10
 - Examinations Closed: 16
 - Complaints Received: 19
 - Complaints Closed: 16
 - Applications Received: 3,732
 - Applications Approved: 3,526
 - Applications Denied/Withdrawn: 57

- Division of Consumer Finance
 - Examinations Opened: 73
 - Examinations Closed: 53
 - Complaints Received: 327
 - Complaints Closed: 415
 - Applications Received: 1,994
 - Applications Approved: 1,987
 - Applications Denied/Withdrawn: 66

- Division of Financial Institutions
 - Examinations Opened: 7
 - Examinations Closed: 9
 - Complaints Received: 75
 - Complaints Closed: 78
 - Applications Received: 4
 - Applications Approved: 8
 - Applications Denied/Withdrawn: 0

- Bureau of Financial Investigations
 - Investigations Opened: 15
 - Investigations Closed: 12
 - Complaints Received: 17
 - Complaints Closed: 11

2. Substantial Sanctions

Denial of Investment Adviser Firm and Associated Person Applications

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

Final Order for \$10,000 Fine against an Associated Person for Unworthy Conduct

On May 15, 2013, the Division of Securities entered a Final Order against Craig R. Morrison for violating FINRA Conduct Rules and the Florida Administrative Code by copying and pasting clients' original signatures to account transfer forms. Such conduct demonstrates an unworthiness to transact business as an associated person in Florida. Mr. Morrison agreed to cease and desist from violations of Chapter 517, Florida Statutes, and paid a \$10,000 administrative fine.

Final Order for \$12,000 Fine against an Investment Adviser Agent for Unregistered Activity

On May 17, 2013 the Division of Securities entered a Final Order against Christopher Michael Becks for engaging in investment advisory business in Florida without being registered. An administrative fine of \$12,000 was paid.

3. Enforcement Actions

Ft. Myers Man Pled Guilty to Fraud

On May 7, 2013, Lee County resident Michael Burns pled guilty to selling securities by an unregistered broker-dealer and one count of organized scheme to defraud. Burns was sentenced to 10 years of probation and ordered to pay \$90,000 to his victims. Burns had to pay \$30,000 at sentencing per the plea agreement. On March 21, 2011, Burns was arrested in Lee County on eight counts of selling securities by unregistered broker-dealer and one count of organized scheme to defraud as a result of an investigation conducted by OFR. The investigation determined that Burns falsely told investors he was a licensed investment advisor and was authorized to sell securities in Florida. Burns solicited money from investors by telling them he would invest their money in low risk business ventures and pay the investors annual rates of return from 15% to 18%. Contrary to his representations, the investigation revealed Burns was not registered and utilized the investors' funds for his personal gain.

South Florida Man Charged With Organized Scheme to Defraud and Grand Theft

On May 8, 2013, as a result of a joint OFR/ Delray Beach Police Department investigation, Leonard Ansill was arrested in Palm Beach County on charges of organized scheme to defraud and grand theft. The joint investigation alleged that

from October 2009 through August 2011, Ansill solicited \$1,120,000 from six investors for collateral assignments of mortgages he owned. The victims were purportedly told they would receive returns between 10% and 24%. The investigation revealed that the property owners had never heard of Ansill and he did not hold the mortgages to their properties. An analysis of the bank records revealed an apparent Ponzi scheme in which new investor money was used to make interest and principal payments to current investors. Ansill also diverted investor money for his own benefit.

Jacksonville Man Arrested for Grand Theft and Schemes to Defraud

On May 13, 2013, Marcus O'Neal Thomas, owner of Take Me Home Bail Bonds, was arrested in Jacksonville, Florida, for violations of Florida State Statutes 817.568, Criminal Use of Personal Identification, 812.014, Grand Theft and 817.034, Schemes to Defraud. This is related to the cashing of U.S. Treasury checks obtained from fraudulent income tax filings with the Internal Revenue Service without being licensed as a money service business by the Office of Financial Regulation. This joint investigation was conducted by the staffs of the U.S. Secret Service, the OFR's Division of Consumer Finance's Bureau of Enforcement and the Bureau of Financial Investigations.

South Florida Man Arrested in Advance Fee Case

On May 14, 2013, Sean Morrison was arrested on a warrant in Palm Beach County after being charged with nine counts of taking advance fees on the promise of securing loans and one count of Organized Scheme to Defraud over \$50,000. Morrison a former mortgage broker ran Accelerated Lending Group, Inc., a company that claimed to be able to get businesses loans in a market where commercial credit was scarce. The investigation revealed that from August 2009 through July 2011, Morrison took in over \$380,350 in advance fees from prospective borrowers who were seeking capital for business expansions or acquisitions. Morrison is alleged to have promised these prospective borrowers millions in loans that never materialized. The investigation revealed that before Morrison would begin work on a borrower's funding request, he would require an advance fee ranging from \$7,400 to \$100,000. Morrison's Letter of Intent, which was signed by his unsuspecting victims, stated that this "due diligence fee" would be "refundable if funds were not secured due to nonperformance by Accelerated Lending Group, Inc." Morrison would tell his victims that he had an investor network of more than fifty lenders and assured them that he could get them a loan on favorable terms. The investigation revealed, however, that Morrison never got a loan for anyone and never refunded anyone's due diligence/advance fees. Instead, Morrison stopped taking phone calls and failed to deliver on what he promised, spending the majority of his victims' money on personal expenses.

4. Outreach Activities

On May 8, 2013, Commissioner Breakspear met with Director Richard Cordray and Acting Deputy Director and Assistant Director for Supervision, Steve Antonakes of the Consumer Financial Protection Bureau (CFPB) in Miami.

Topics discussed included the trends, regulations and oversight involving several of the industries the OFR regulates including pay day loans, check cashing businesses, consumer collection agencies and motor vehicle financing. Commissioner Breakspear also participated in a community roundtable on mortgage loans and a field hearing on student loans.

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

On May 16, 2013, members of the Division of Financial Institutions represented the OFR at an Interagency Meeting in Miami, Florida. The Interagency Meeting focused on current and emerging issues impacting the financial industry. Some of the topics discussed were the phase out period of TruPS (Trust Preferred Security), requests from Bank Holding Companies to redeem TARP (some at sizeable discounts), growth in commercial & industrial lending, competition with large/regional banks in loan growth, lengthening of securities duration, vendor management, DDoS attacks, offsite exams and BSA. Participants also included representatives from the Federal Deposit Insurance Corporation, Federal Reserve Bank and the Office of the Comptroller of the Currency.

On May 22, 2013, members of the Division of Financial Institutions participated in and presented at a Director and Senior Management Workshop. The workshop was sponsored by the Shutts & Bowen Law Firm and was held in Miami, Florida. Topics of the workshop included upcoming regulatory changes and the impact on the industry. Approximately 50 people attended the workshop.

On May 24, 2013, Commissioner Breakspear participated in a Meet and Greet interview with Jean Gruss, Editor of the Lee/Collier Region of the Gulf Coast Business Observer. Topics discussed included OFR successes, operational efficiencies and vision.

5. Operating Efficiencies

On April 30, 2013, the Florida Legislature passed HB 217. If signed into law, HB 217 will require check cashers to log any checks cashed in excess of \$1,000 into a statewide database designed to prevent fraudulent activity. In addition to the check amount, each business will be required to submit traceable information such as payor, payee, fee charged, type of identification presented and payee's workers' compensation insurance policy number, if the check was made out to a business. The bill also provides that multiple checks accepted from any one person in one day, which total \$1,000 or more, must be aggregated and reported in the database. The check cashing database created by this legislation will have the capability to interface with the Secretary of State's database for purposes of verifying corporate registration and articles of incorporation. The

database will also have the capability to interface with the DFS database for purposes of determining proof of coverage for workers' compensation.

[Florida Office of Financial Regulation Applauds the Passage of House Bill 217](#)

On April 30, 2013, the Florida Legislature passed SB 644 and HB 665. If signed into law, SB 644 and HB 665 will assist the OFR in making it more efficient for Floridians to obtain and maintain licenses within the mortgage, securities and money service business industries. Currently, the OFR is required to deny or revoke a mortgage broker's or mortgage lender's license when their license has been revoked in another state even if the action would not have led to a denial or revocation in Florida. This law does not preclude the OFR from imposing fines and penalties based on another state's revocation as it deems necessary. The bill also requires live-scan fingerprinting for those persons in the Florida securities and money service business industries. Current law requires criminal background checks to be completed via paper "fingerprint cards," which must be physically mailed to the OFR before being scanned and submitted to the Florida Department of Law Enforcement (FDLE) and Federal Bureau of Investigation. This legislation will allow fingerprints to be submitted at approved FDLE live-scan locations and generally provide OFR with the results within 24-to-48 hours. This technology will better allow the OFR to further protect Floridians from potential fraudulent schemes and enhance the integrity of the industry.

[Florida Office of Financial Regulation Commends the Passage of Licensure Legislation Creating Greater Opportunities for Businesses](#)