

GOVERNOR RICK SCOTT

MONTHLY AGENCY ACHIEVEMENT REPORT

OFFICE OF FINANCIAL REGULATION

JUNE 2013

JUNE ACHIEVEMENTS

1. Monthly Statistics

- Division of Securities
 - Examinations Opened: 7
 - Examinations Closed: 21
 - Complaints Received: 24
 - Complaints Closed: 23
 - Applications Received: 3,631
 - Applications Approved: 3,653
 - Applications Denied/Withdrawn: 29

- Division of Consumer Finance
 - Examinations Opened: 242
 - Examinations Closed: 65
 - Complaints Received: 259
 - Complaints Closed: 230
 - Applications Received: 992
 - Applications Approved: 928
 - Applications Denied/Withdrawn: 93

- Division of Financial Institutions
 - Examinations Opened: 9
 - Examinations Closed: 9
 - Complaints Received: 75
 - Complaints Closed: 83
 - Applications Received: 5
 - Applications Approved: 4
 - Applications Denied/Withdrawn: 3

- Bureau of Financial Investigations
 - Investigations Opened: 7
 - Investigations Closed: 3

2. Substantial Sanctions

Denial of Investment Adviser Firm Application

On May 29, 2013, the Division of Securities entered a Final Order against Ziton, Roger, denying the firm's application for registration as an investment adviser,

after the firm failed to request a hearing. The Final Order follows a Notice of Intent to Deny which alleged that Roger William Ziton, owner of the firm, made a material misrepresentation or misstatement on his application for registration as an associated person.

Denial of Investment Adviser Associated Person Application

On May 31, 2013, the Division of Securities entered a Final Order against Roger William Ziton, denying his application for registration as an investment adviser associated person, after he failed to request a hearing. The Final Order follows a Notice of Intent to Deny which alleged that Mr. Ziton made a material misrepresentation or misstatement on his application for registration.

Final Order for \$90,000 Fine against an Unregistered Agent for Fraudulent Transactions

On May 30, 2013, the Division of Securities entered a Final Order against Devon C. McLean for the following: sale of unregistered securities, omissions and misrepresentations of material facts to investors, and failing to provide written notice to his employing broker dealer firms of his participation in private securities transactions and outside business activity. A \$90,000 administrative fine was assessed.

Permanent Bar and \$7,500 Fine against a Broker Dealer Agent for Prohibited Business Practices

On June 6, 2013, the Division of Securities entered a Final Order against Eric Martin Dishner for engaging in prohibited business practices, after he failed to request a hearing. The Final Order follows an Administrative Complaint, which alleged that Mr. Dishner borrowed money from a customer. Mr. Dishner was permanently barred from licensure and/or registration with the Office. A \$7,500 administrative fine was assessed.

Final Order against an Investment Adviser Firm for Failure to File Financial Statements

On June 7, 2013, the Division of Securities entered a Final Order against Fischer Group Asset Management LLC, for failure to properly file financial statements. The firm agreed to terminate its registration as an investment adviser with the state of Florida and agreed not to seek registration as an investment adviser for three (3) years.

Final Order Assessing Fines Totaling \$320,000 for Failure to Supervise

On June 7, 2013, the Division of Securities entered a Final Order against BrokersXpress, LLC, Phillip Hoeh, Barry Metzger and Anthony Cesta for violations of NASD Rules and the Florida Administrative Code. BrokersXpress failed to establish and maintain an adequate supervisory system, failed to have adequate written supervisory procedures and failed to implement said supervisory system and procedures with regard to the supervision and review of activities in the customer accounts assigned to Kevin Moyer. Mr. Hoeh, Mr.

Metzger, and Mr. Cesta were each found to have failed to inspect Mr. Moyer's branch office timely. In settlement of the violations, the Respondents agreed to pay fines totaling \$320,000. Additionally, the Office of Financial Regulation accepted BrokersXpress, LLC request to terminate its registration as a broker dealer with the state of Florida. Phillip Hoeh and Barry Metzger agreed not to seek registration in the state of Florida for one year.

On June 25, 2013, the OFR served an Administrative Complaint on BrokersXpress former representative, Kevin Moyer. The OFR is seeking sanctions against Mr. Moyer to include, but are not limited to, the issuance of a cease and desist order, the imposition of administrative fines and a bar from registration. BrokersXpress, headquartered in Chicago, had as many as 44 branch offices in Florida. The OFR's Final Order found that BrokersXpress failed to establish and maintain an adequate supervisory system, failed to have adequate written supervisory procedures and failed to implement said supervisory system and procedures with regard to the supervision and review of activities in the customer accounts assigned to Mr. Moyer.

[FLORIDA OFFICE OF FINANCIAL REGULATION COLLECTS \\$320,000 IN ADMINISTRATIVE FINES FROM BROKERSXPRESS, LLC](#)

3. Enforcement Actions

Alleged Online Dating Conman Arrested

On June 5, 2013, Scott Campbell was arrested by Flagler County Sheriff's Deputies on an Osceola County warrant. Campbell was charged with one count of grand theft over \$100,000. Campbell was alleged to have obtained in excess of \$1,000,000 from his victims. 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; to include large amounts spent on gambling.

[ORLANDO MAN ARRESTED FOR USING AN INTERNET DATING AND MUSIC INDUSTRY GUISE TO STEAL MORE THAN A HUNDRED THOUSAND DOLLARS FROM FLORIDA WOMEN](#)

Investment Conman Sentenced to 80 Months in Prison

On June 10, 2013, Federal District Court Judge Joan A. Lenard sentenced defendant, Aiby Pierre-Louis, to 80 months in prison to be followed by three years of supervised release. The sentencing stems from a guilty plea entered in March 2013 to one count of conspiracy to commit mail fraud in connection with an \$8 million fraudulent investment scheme. Pierre-Louis and other defendants involved in the scheme were ordered to pay restitution in the amount of

\$2,793,675.07. Pierre-Louis' guilty plea was the result of a June 2010 indictment in which he was charged with one count of Conspiracy to Commit Mail Fraud and one count of Conspiracy to Commit Money Laundering. The charges resulted from a joint OFR and U.S. Postal Inspection Service investigation which revealed that Pierre-Louis was at the head of the massive fraudulent investment scheme, primarily targeting the Haitian-American community in South Florida. The investigation revealed that Pierre-Louis and his co-defendants victimized a total of 770 investors. The investor victims purchased 12-month notes and were guaranteed annual returns in excess of 15% interest. The defendants made presentations in churches and on local radio stations to convince prospective investors to participate in the investment program. During these presentations the defendants falsely claimed that Focus Development owned and operated successful businesses and that the monies they raised would be used to create Haitian-American businesses, jobs and improve the Haitian-American community. The defendants also told investors that their principal was secure and fully refundable and that the annual returns would be paid from business profits. Investors relied upon these misrepresentations and placed their funds with Pierre-Louis and the other defendants not knowing that the funds would actually be used for the defendants' personal expenditures. As a result of the defendants' fraudulent actions, investors suffered an unreimbursed loss of approximately \$6 million. Pierre-Louis had been residing in Haiti since he was indicted, and he was arrested at the United States Embassy in Port-au-Prince and brought back to Miami in October 2012 to face prosecution.

Two Arrested for Scamming more than \$2 Million in Precious Metals Investment Scheme

On June 14, 2013, Manuel Frade was arrested by the Florida Department of Financial Services, Division of Insurance Fraud. Angel Quinones surrendered on June 13, 2013. Both men are accused of operating a boiler room to solicit investments in precious metals. They are further accused of selling fictitious investments totaling more than \$2 million to investors across the country, many of whom are senior citizens. Both men have been charged with one count of organized fraud, one count of grand theft and two counts of securities fraud in connection with this scheme. Frade and Quinones are alleged to have solicited investors through their company, Integrated Market Capital Investments, doing business as Midas Asset Exchange. After making the investment with Midas Asset Exchange, investors typically received account statements showing the alleged purchase of metals. Investors claimed that Frade and Quinones led them to believe that the metals listed on the account statements would be stored for them in a vault or other safe place until such time as they desired to sell. The investigation revealed that only a small portion of investor money was used to purchase rights to precious metal inventory, and none of it was used to purchase or store the physical metals. Instead, the majority of the money obtained from investors is alleged to have been used to pay business expenses and for the personal benefit of Frade and Quinones. The arrests are the result of a multi-

month investigation by the OFR. The Broward County State Attorney's Office is prosecuting the case.

[TWO ARRESTED FOR SCAMMING MORE THAN \\$2 MILLION IN PRECIOUS METALS INVESTMENT SCHEME](#)

4. Outreach Activities

On May 31, 2013, the OFR issued a press release to encourage Floridians to disaster proof family finances for hurricane season.

[FLORIDA OFFICE OF FINANCIAL REGULATION ENCOURAGES FLORIDA CITIZENS TO PREPARE FAMILY FINANCES FOR HURRICANE SEASON](#)

On June 17, 2013, a member of the Division of Financial Institutions represented the OFR at the Florida Bankers Association Annual Meeting and Regulatory Roundtable. The meeting was held in West Palm Beach, Florida. Topics of the meeting included safety and soundness regulations, requirements of commercial real estate lending regulations, the impact of BASEL capital requirements, and lessons learned from the financial crisis. Approximately 100 people attended the meeting.

5. New Additions / Promotions

On May 31, 2013, Robert Hayes was promoted to Director of Financial Institutions. Mr. Hayes began serving as Interim Director of Financial Institutions in January 2013 while continuing in his role as Bureau Chief of Bank Regulation District 1. Mr. Hayes brings a wealth of experience to the position. When he joined the OFR in March 1993, Mr. Hayes brought with him over 20 years of prior banking experience. He graduated from the Graduate School of Banking of the South at Louisiana State University, the Florida State University, and earned the Basic, General, and Standard Certificates from the American Institute of Banking.

On June 1, 2013, Lee Kell was promoted to Chief of Enforcement for the Division of Securities. Mr. Kell has been with the OFR since April 2012; most recently serving the Division of Securities in the capacity of Financial Administrator for the Tallahassee, Tampa and Orlando offices. Mr. Kell's background includes 8 years as General Manager with Coca-Cola Bottling Company, followed by 25 years at Northwestern Mutual in management, training and compliance capacities.

On June 3, 2013, Colin Roopnarine joined the OFR as General Counsel. Mr. Roopnarine received his Juris Doctor from the Florida State University and is Board Certified in State and Federal Government and Administrative Practice. Mr. Roopnarine previously served as the Deputy General Counsel for the Florida Department of Business and Professional Regulation, where he was the chief legal counsel for program enforcement activities. His extensive law experience includes working as a Hearing Officer for the Public Employees Relations Commission and as Assistant General Counsel for the Florida Department of Financial Services as well as the Florida Department of Community Affairs.