

GOVERNOR RICK SCOTT
MONTHLY AGENCY ACHIEVEMENT REPORT
OFFICE OF FINANCIAL REGULATION
AUGUST 2013

AUGUST ACHIEVEMENTS

1. Monthly Statistics

- Division of Securities
 - Examinations Opened: 23
 - Examinations Closed: 18
 - Complaints Received: 20
 - Complaints Closed: 22
 - Applications Received: 3,940
 - Applications Approved: 3,908
 - Applications Denied/Withdrawn: 63

- Division of Consumer Finance
 - Examinations Opened: 53
 - Examinations Closed: 87
 - Complaints Received: 253
 - Complaints Closed: 263
 - Applications Received: 1,054
 - Applications Approved: 1,023
 - Applications Denied/Withdrawn: 68

- Division of Financial Institutions
 - Examinations Opened: 6
 - Examinations Closed: 8
 - Complaints Received: 85
 - Complaints Closed: 83
 - Applications Received: 10
 - Applications Approved: 6
 - Applications Denied/Withdrawn: 0

- Bureau of Financial Investigations
 - Investigations Opened: 16
 - Investigations Closed: 10

2. Substantial Sanctions

Permanent Bar and \$10,000 Fine of Unregistered Agent for Fraud

On August 1, 2013, the Division of Securities entered a Final Order against Albert Romero Coringrato, Jr. for engaging in a business that operated as a fraud

and employing a scheme to defraud investors by making material misrepresentations and omissions. Mr. Coringrato was 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. A \$10,000 administrative fine was assessed.

Final Order for \$19,500 Fine against an Investment Adviser Agent for Unregistered Activity and Prohibited Business Practices

On August 13, 2013, the Division of Securities entered a Final Order against Rafael Moreno for engaging in prohibited business practices and investment advisory business in Florida without being registered. An administrative fine of \$19,500 was assessed.

Permanent Bar and \$470,000 Fine against a Broker Dealer Agent for Fraud

On August 13, 2013, the Division of Securities entered a Final Order against Kevin Leslie Moyer permanently barring him from future registration with the Office, after he failed to request a hearing. The Final Order follows an Administrative Complaint which alleged Mr. Moyer engaged in fraudulent securities transactions. Kevin Leslie Moyer was permanently barred from licensure and/or registration with the Office. A \$470,000 administrative fine was assessed.

Final Order for \$19,500 Fine against an Investment Adviser Agent for Unregistered Activity and Prohibited Business Practices

On August 23, 2013, the Division of Securities entered a Final Order against Annette Manon for engaging in prohibited business practices and in investment advisory business in Florida without being registered. An administrative fine of \$19,500 was assessed.

Permanent Bar of Broker Dealer Agent for Fraud

On August 23, 2013, the Division of Securities entered a Final Order against Sean Donald Premock for engaging in fraudulent securities transactions. Sean Donald Premock was 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 \$160,000 Fine against a Broker Dealer Agent for Fraud

On August 27, 2013, the Division of Securities entered a Final Order against Charles Ellis Williams permanently barring him from future registration with the Office, after he failed to request a hearing. The Final Order follows an Administrative Complaint which alleged Mr. Williams engaged in fraudulent securities transactions. Charles Ellis Williams was permanently barred from licensure and/or registration with the Office. A \$160,000 administrative fine was assessed.

Final Orders for \$9,100 in Fines against Investment Adviser Firms for Failure to File Financial Statements

During the month of August 2013, the Division of Securities entered Final Orders against two Investment Adviser firms for failing to file annual financial statements. A total of \$9,100 in administrative fines were assessed.

Denial of Associated Persons Applications

During the month of August 2013, the Division of Securities denied one application for registration as associated person. The Notice of Intent to Deny alleged that the associated person made a material misrepresentation or misstatement on their application for registration as an associated person.

3. Enforcement Actions

Hillsborough County Man Arrested for Defrauding the Elderly

On July 25, 2013, as a result of a Florida Office of Financial Regulation Investigation, Clyde M. Thornburg was arrested in Hillsborough County and charged with theft from persons 65 years of age or older and uttering a forged check. The investigation found that in early 2012, Thornburg allegedly defrauded three Sarasota County, Florida citizens out of \$22,948 by representing that their funds would be used for various investments including life insurance products, investments in purported building projects and in a fictitious entity called United Lending Trust IV. Instead of investing the money, Thornburg purportedly cashed the victims' checks and used the money for his own benefit. The investigation also uncovered that Thornburg attempted to cash a counterfeit check at a local check cashing store. Thornburg was previously the victims' financial advisor and insurance agent. In October 2012, Thornburg was permanently barred from the securities industry by FINRA for engaging in a pattern of unsuitable trading in the accounts of elderly investors and forging signatures on mutual fund disclosure forms. The State Attorney's Office for the 12th Judicial Circuit, Sarasota County, is prosecuting this case.

Orlando Area Man Sentenced to Prison for Investment Scam

On August 15, 2013, Gurudeo Persaud, owner of White Elephant Trading Company (WETCO), located in Orlando, Fla. was sentenced to three years in federal prison to be followed by two years of supervised release. Persaud was also ordered to pay \$948,340 in restitution. Persaud had previously pled guilty to one count of mail fraud. The joint FBI/OFR investigation revealed that from July 2007 to January 2010, Persaud, through WETCO, raised over \$1,000,000 from 14 investors through fraudulent pretenses and representations. Persaud promised investors risk free returns of 6%-18% annually. Persaud, however, failed to disclose that his trading strategy was based on lunar cycles and the gravitational pull between the moon and the earth. The investigation further determined that Persaud engaged in a Ponzi scheme and misappropriated approximately \$415,000 of investor funds for his personal use. Persaud's activity came to light in June 2012 when the SEC filed a civil suit against Persaud and WETCO.

Orlando Area Man Pleads Guilty to Investment Related Fraud Charges

On August 22, 2013, John Wilkins pled guilty to one count of conspiracy to commit mail fraud and one count of conspiracy to commit wire fraud. A joint OFR/U.S. Secret Service investigation determined that from 2009 to 2012, Wilkins and his partner raised over \$18 million from over 200 investors for an investment in a hedge fund managed by the defendant. The investigation also determined that Wilkins had misrepresented his background to investors and falsely claimed the hedge fund had generated annual rates of return between 11 and 91 percent from 1980 to 2009. An analysis of bank and brokerage records also determined that the defendant had misappropriated investor funds. The National Futures Association had previously taken an emergency enforcement action against Wilkins and his company, Altamonte Global Partners LLC. Wilkins is scheduled to be sentenced in late November 2013.

South Florida Man Arrested and Charged for Role in \$30 Million Ponzi Scheme

On August 23, 2013, the FBI arrested George Louis Theodule in Port St. Lucie, Florida, following a grand jury indictment charging him with 36 counts of wire fraud, one count of securities fraud, and three counts of money laundering. Theodule was indicted for his role in orchestrating a massive Ponzi scheme affecting the Haitian community in South Florida and elsewhere. Theodule is alleged to have falsely represented himself as an investment guru, capable of doubling investors' money every 30 to 90 days. Theodule advertised the investment opportunity through churches, word of mouth, seminars and other group presentations. He is also alleged to have persuaded investors to form "investment clubs" into which participants pooled their money and then turned it over to him. Consequently, investors formed more than 100 clubs in approximately seven states. According to the indictment, from at least July 2007 through December 2008, Theodule is alleged to have collected more than \$30 million from investors. Theodule opened a number of trading accounts with online-brokerage firms to trade investors' money. Theodule lost the money he invested in the market, all the while assuring investors that their monies were safe and guaranteed. Furthermore, Theodule purportedly paid early 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, providing large monetary gifts to his girlfriends and taking trips abroad. On December 29, 2008, the Securities and Exchange Commission (SEC) commenced 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 Theodule to pay \$5,099,512 in disgorgement. This case is a joint investigation between FBI (West Palm Beach Office) and the OFR and is being prosecuted by the United States Attorney's Office.

Loan Broker Sentenced to Seven Years in State Prison for an Advance Fee for Loan Scam

On August 26, 2013, Miami-Dade Circuit Judge Eric Hendon sentenced Berthram B. Samuel of Miami-Dade County to seven years in state prison to be followed by seven years of supervised release. According to testimony and evidence presented at trial, from December 2007 through April 2011, Samuel advertised short-term investment loans, letters of credit, and investment loans up to ten million dollars on his website, business conferences, newspapers, and through a loan broker located in Southern California. Samuel falsely represented to borrowers that his company specialized in financing big international projects as well as projects in the United States. Samuel also represented that his company had \$120,000,000 in a bank in Germany. Samuel charged prospective borrowers over \$400,000 in advance fees, but none of the prospective borrowers received a loan. A jury found Samuel guilty of one count of grand theft in the first degree; two counts of grand theft in the second degree, two counts of grand theft in the third degree, and two counts of unlawfully collecting advance fees, in violation of 687.141, Florida Statutes. The State Attorney's Office, 11th Judicial Circuit, Miami-Dade County, prosecuted the case.

4. Outreach Activities

On August 5, 2013, the OFR, along with the Florida Attorney General and Florida Chief Financial Officer, issued a consumer alert warning Floridians of the potential dangers of selling or buying settlement income or pension streams.

[Florida Attorney General, Chief Financial Officer and Office of Financial Regulation Warn Floridians to be Wary of Buying or Selling Pensions](#)

On August 5-9, 2013, members of the Division of Consumer Finance participated in the American Association of Residential Mortgage Regulators (AARMR) 24th Annual Regulatory Conference in Denver, Colorado. Topics discussed included current mortgage industry trends, mortgage loan servicing, mortgage fraud, and an update from the Consumer Financial Protection Bureau on upcoming rules related to mortgage transactions. Approximately 270 association & affiliate members attended the event.

On August 15 and 16, 2013, Commissioner Drew J. Breakspear gave the keynote address and a member of the Division of Financial Institutions participated as part of a regulatory panel, at the 28th Annual Florida Bank Director's Forum. The Forum is a two day conference held in Palm Coast, Florida, which provides bank directors and executive officers with pertinent and timely information dedicated to helping them gain a better understanding of the duties, responsibilities and liabilities involved in a banking leadership role.

On August 21, 2013, Commissioner Drew J. Breakspear participated in an editorial board meeting with 850 Magazine's editor, Linda Kleindienst. Topics discussed included the financial services industry in Northwest Florida.

During the month of August 2013, members of the Division of Securities and the Bureau of Financial Investigations participated in six *Be Scam Smart* workshops, which are offered throughout the state of Florida to seniors, their families and caregivers to help inform, empower, and protect Florida's seniors from financial scams and fraud. These free workshops are part of CFO Jeff Atwater's On Guard for Seniors initiative *Operation S.A.F.E. (Stop Adult Financial Exploitation)*.

5. New Additions

On August 19, 2013, Jo Morris joined the OFR as Director of Legislative and Cabinet Affairs. Ms. Morris previously served as a Governmental Analyst for the Florida Department of Health where she lobbied the Legislature on issues related to public health. She has also worked for the Office of Policy and Budget as well as the H. Lee Moffitt Cancer Center and Research Institute. Ms. Morris received her Bachelor's and Master's degrees in Political Science from The Florida State University.

6. Operational Successes

On August 1, 2013, the OFR unveiled a new logo. The new logo reflects the strength of the Florida government by highlighting our state seal within a green shield which represents our protective role for the financial interests of the citizens of Florida. In addition, the OFR unveiled a new mission to take into account the OFR priorities. The OFR mission: To protect the citizens of Florida, promote a safe and sound financial marketplace, and contribute to the growth of Florida's economy with smart, efficient and effective regulation of the financial services industry.

