

GOVERNOR RICK SCOTT

MONTHLY AGENCY ACHIEVEMENT REPORT

OFFICE OF FINANCIAL REGULATION

SEPTEMBER 2013

SEPTEMBER ACHIEVEMENTS

1. Monthly Statistics

- Division of Securities
 - Examinations Opened: 32
 - Examinations Closed: 31
 - Complaints Received: 26
 - Complaints Closed: 22
 - Applications Received: 3,902
 - Applications Approved: 3,829
 - Applications Denied/Withdrawn: 36

- Division of Consumer Finance
 - Examinations Opened: 92
 - Examinations Closed: 90
 - Complaints Received: 223
 - Complaints Closed: 255
 - Applications Received: 2,465
 - Applications Approved: 2,176
 - Applications Denied/Withdrawn: 45

- Division of Financial Institutions
 - Examinations Opened: 8
 - Examinations Closed: 10
 - Complaints Received: 49
 - Complaints Closed: 54
 - Applications Received: 3
 - Applications Approved: 2
 - Applications Denied/Withdrawn: 0

- Bureau of Financial Investigations
 - Investigations Opened: 11
 - Investigations Closed: 12

2. Substantial Sanctions

Final Order for \$10,000 against Broker Dealer Agent for Misrepresentation

On August 30, 2013, the Division of Securities entered a Final Order against Robert Joseph Eanell after he failed to request a hearing. The Final Order follows an Administrative Complaint, which alleged that Mr. Eanell misrepresented to

customers that he held a bona fide doctorate degree. A \$10,000 administrative fine was assessed.

Permanent Bar and \$105,000 Fine against Unregistered Broker Dealer and Agent for Unregistered Securities Business

On September 23, 2013, the Division of Securities entered a Final Order against Maverick International, Inc. and Wesley Alan Brown for engaging in the securities business in Florida without being registered, offering and selling unregistered securities and for failing to provide the purchasers of securities with a proper prospectus. Maverick International, Inc. and Wesley Alan Brown were permanently barred from engaging in securities related business in Florida and 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 \$105,000 administrative fine was assessed.

Final Order for \$15,000 Fine against a Broker Dealer Firm for Prohibited Business Practices

On September 23, 2013, the Division of Securities entered a Final Order against Aegis Capital Corp. for engaging in prohibited business practices by failing to have adequate supervisory procedures relating to outside business activity and failing to adequately follow written procedures relating to advertising. A \$15,000 administrative fine was paid.

Final Orders for \$11,500 in Fines against Investment Adviser Firms for Failure to File Financial Statements

During the month of September 2013, the Division of Securities entered Final Orders against four Investment Adviser firms for failing to file annual financial statements. Two firms voluntarily terminated their registration in Florida. A total of \$11,500 in administrative fines were assessed.

3. Enforcement Actions

Former Wellington Resident Charged in Investment Fraud Scheme

On September 4, 2013, Joseph Paul Zada was indicted by a federal grand jury and charged with 27 counts of mail fraud, wire fraud, interstate transportation of stolen property and money laundering. Zada, who has residences in Michigan and Florida, ran an apparent investment scheme that initially preyed on wealthy horse owners. Zada purportedly told his victims that he was an expert in oil futures, sat on the board of directors of a major oil company and was the financial manager for Russian ice hockey players. The joint FBI/IRS/OFR investigation determined that from 1998 through 2009, Zada sold \$27 million of promissory notes that paid annual rates of return between seven and twelve percent. The investors were led to believe Zada would use their money to invest in oil ventures. An analysis of the bank records revealed that instead of using the investors' money to invest in oil ventures, Zada purportedly used the money to support his lavish lifestyle and to pay returns to earlier investors. On or about November 10, 2010, the United States Securities and Exchange Commission filed an action against Zada and his company Zada Enterprises, LLC charging

Zada with securities fraud. The SEC was granted a summary judgment in its case on July 31, 2013. This case is being prosecuted by Assistant U.S. Attorney Rolando Garcia.

The United States Attorney's press release can be found here:

<http://www.justice.gov/usao/fls/PressReleases/130905-01.html>

Four Charged in Haitian Affinity Fraud Scheme

On September 5, 2013, Circuit Judge Miguel De La O issued warrants for the arrests of Anthony St Prix, his wife, Wanda Morales, Guerdin Lecorps, and Charles Y. Angrand. The defendants have been charged with one count of racketeering, one count of conspiracy to commit racketeering, one count of grand theft in the first degree, and one count organized scheme to defraud as a result of an investigation by the Florida Office of Financial Regulation, Bureau of Financial Investigations. Angrand was arrested by the Florida Division of Insurance Fraud, Lecorps was arrested by Pembroke Pines Police Department, and St Prix and Morales were taken into custody by the New York Police Department. The Florida Office of Financial Regulation investigation alleged that from July 2005 through March 2010, the defendants defrauded more than 140 victims in the Southwest Florida and South Florida Haitian communities through various schemes involving land sales and foreign currency options trading. St Prix and his co-conspirators advertised on the internet and made sales presentations at churches in Naples and Fort Myers offering one-acre tracts of land for sale in Punta Gorda and Sebring. St Prix falsely represented to investors that he owned the land. St Prix entered into contracts to sell the land to the victims while his co-conspirators conducted sham closings at a church in Naples. As part of the closing, the victims were provided with fictitious warranty and quitclaim deeds. Soon after the closing, the victims received a "certificate of ownership" as proof that they owned the land. The victims then made monthly mortgage payments to companies controlled by the defendants. St. Prix also lured victims into investing in foreign currency exchange options by telling them he would pay them monthly interest and refund 100% of their principal when the land development project was completed. St Prix opened a foreign currency trading account, but he soon lost all the money. A review of the bank records revealed an apparent Ponzi scheme. There were no trading or investment profits and established investors were paid with funds from new investors. The investigation also determined that the defendants received funds from the victims in excess of \$4,000,000, of which approximately \$1,700,000 was used for their personal benefit. The charges filed against the defendants are accusations and the defendants are presumed innocent until proven guilty. The defendants will be prosecuted by the Attorney General's Office of Statewide Prosecution.

The Florida Attorney General's press release can be found here:

<http://www.myfloridalegal.com/newsrel.nsf/newsreleases/4C029C63A874E09A85257BE8006A0DDB>

4. Outreach Activities

On September 10, Commissioner Breakspear was the keynote speaker for the monthly meeting of the Ft. Myers Real Estate Investment Society. The Commissioner spoke on the state of the banking and mortgage industry in

Florida to an audience of approximately 100 bankers, mortgage brokers, real estate agents, journalists, state representatives and others.

On September 12, 2013 the OFR issued a statement on a settlement agreement reached with Banco Industrial de Venezuela.

[OFR Statement Regarding the Settlement Agreement with the Banco Industrial de Venezuela](#)

On September 12, 2013, a member of the Division of Financial Institutions was a speaker at the monthly chapter dinner for the Northwest Florida Credit Unions. The dinner was held in Pensacola, Florida, with approximately 125 attendees representing credit unions in Escambia, Santa Rosa, and Okaloosa Counties. The topic of discussion was the current state of state-chartered credit unions in Florida.

On September 17, 2013, Commissioner Breakspear and Senior Management for the Division of Securities met with representatives of Edward D. Jones & Co., L.P. ("Edward Jones"), a registered broker dealer firm in Florida. Edward Jones presented an overview of their firm's compliance program. Division staff discussed legislative and rules initiatives, along with efforts to improve efficiency in both the registration and enforcement programs.

On September 24, 2013, Commissioner Breakspear and Senior Management for the Division of Securities met with representatives of the Financial Planners' Association of Florida ("FPA") in Tallahassee. Topics discussed included an overview of OFR, legislative and rule proposals, an overview of Division of Securities initiatives and current statistics. Approximately 10 members of the FPA attended the meeting.