GOVERNOR RICK SCOTT

QUARTERLY AGENCY ACHIEVEMENT REPORT

OFFICE OF FINANCIAL REGULATION

June 2015

MARCH THROUGH JUNE 2015 ACHIEVEMENTS

1. **Quarterly Statistics**
   - Division of Securities
     - Examinations Opened: 55
     - Examinations Closed: 75
     - Complaints Received: 57
     - Complaints Closed: 51
     - Applications Received: 13,233
     - Applications Approved: 13,088
     - Applications Denied/Withdrawn: 267

   - Division of Consumer Finance
     - Examinations Opened: 56
     - Examinations Closed: 99
     - Complaints Received: 281
     - Complaints Closed: 548
     - Applications Received: 4,200
     - Applications Approved: 4,007
     - Applications Denied/Withdrawn: 189

   - Division of Financial Institutions
     - Examinations Opened: 32
     - Examinations Closed: 30
     - Complaints Received: 209
     - Complaints Closed: 208
     - Applications Received: 17
     - Applications Approved: 15

   - Bureau of Financial Investigations
     - Investigations Opened: 45
     - Investigations Closed: 38

2. **Communications and Outreach Activities**
   On April 1, 2015, the OFR issued a press release celebrating Financial Literacy Month.
   Press Release: Florida Celebrates Financial Literacy Month

On April 16, 2015, a member of the Division of Financial Institutions participated on a regulator panel at the National Association of Corporate Directors, Florida Chapter and American Association of Bank Directors workshop in Fort Lauderdale.

On April 16, 2015, the OFR issued a consumer alert on the top 5 financial literacy resources.
Consumer Alert: Top 5 Financial Literacy Resources

On April 24, 2015, a column by OFR Commissioner Drew J. Breakspear on financial literacy appeared in the Sunshine State News.
In Case You Missed It: Sunshine State News: Financial Literacy Begins with Basics

On April 24, 2015, the OFR Commissioner Drew J. Breakspear issued a statement on the passage of agency legislation.
Commissioner Drew J, Breakspear's Statement on Agency Legislation

On April 27, 2015, the OFR issued a consumer alert on 5 common financial scams
Consumer Alert: 5 Common Financial Scams

On May 1, 2015, the OFR issued a press release recognizing May as Putting Investors First Month.
Press Release: Florida Office of Financial Regulation Recognizes Putting Investors First Month

On May 25, 2015, through May 30, 2015, a member of the Division of Financial Institutions represented the OFR at the CSBS State Federal Supervisor Forum in San Francisco, California.

On May 28, 2015, member of the Division of Securities spoke at the 27th Annual Educational Conference of the Florida Association of Business Tax Officials Inc. The conference was held in Lake Buena Vista and attended by approximately 200 business tax professionals. The presentation included an overview of the OFR, the programs within each division and the registration requirements and enforcement activities for the Division of Securities.

On June 1, 2015, the OFR issued a consumer alert on hurricane and disaster preparedness.
Consumer Alert: Hurricane and Disaster Preparedness

On June 2, 2015, the OFR issued a press release regarding a letter that Commissioner Drew J. Breakspear sent to CFPB Director Cordray urging the use of Florida's regulatory model for payday lending.
Press Release: Commissioner Drew J. Breakspear Urges Use of Florida's Regulatory Model for Payday Lending

On June 8, 2015, a member of the Division of Financial Institutions represented the OFR on a regulator panel at the 2015 Florida Bankers Association Annual Meeting in Boca Raton.

On June 17, 2015, the OFR issued a consumer alert on identity theft.
Consumer Alert: Identity Theft

On June 17 - 19, 2015, the Division of Securities, in conjunction with the North American Securities Administrators Association (NASAA), held the 2015 Annual Broker Dealer Training Program in Ft. Lauderdale. Commissioner Breakspear presented opening remarks and welcomed the attendees to Florida. The program was attended by over 240 state examiners, investigators, attorneys and speakers from across the country and Canada. The two track program focused on broker dealer sales practice examinations, registrations, investigations and administrative hearings.

On June 18, 2015, a member of the Division of Financial Institutions represented the OFR at the League of Southeastern Credit Unions Annual Meeting in Orlando.

On June 18 - 19, 2015, Commissioner Drew Breakspear and a member of the Division of Financial Institutions represented the OFR at the Conference of State Bank Supervisors Region III Interagency Conference.

1. **Enforcement Actions**

Loan Broker Arrested in Alleged Advance Fee Fraud that Victimized Hundreds

On March 30, 2015, Ivan Levy, CEO of Regency Financial Services, LLC, was arrested by the Palm Beach County Sheriff's office after having been charged with nine counts of collecting unlawful advance fees as a loan broker. Levy is alleged to have collected in excess of $300,000 from victims who were in financial duress, falling behind in their car payments and fearful of having their vehicles repossessed. Victims sought to renegotiate or refinance their auto loans through Levy's websites, credit-yogi.com and carpaymenthelpcenter.com. Levy allegedly called victims saying he was a broker, falsely offering guaranteed auto refinancing in exchange for an advance fee of $499 payable in cash via bank deposits into his account. Victims were told to use Levy's corporate name on the deposit making it difficult to determine who and how many victims gave cash to Levy. Once the payment was received, Levy would end all communication. No victim is known to have obtained financing or a refund of their advance fee payments. Levy is believed to have conducted business from his home in Boynton Beach for the past three years and is not licensed as a consumer finance company, lender, or retail installment sales contract provider. This case was developed jointly with the Boynton Beach Police Department and is being

prosecuted by the Palm Beach County State Attorney's Office. A trial date has not yet been set.
Press Release: Boynton Beach Man Arrested in Advance Fee Loan Scheme

South Florida Man Sentenced to Five Years in Prison for Role in Investment Fraud Scheme

On Tuesday, April 7, 2015, the Honorable Stephen A. Rapp, Circuit Judge, 15th Judicial Circuit, sentenced Michael Hardman to five years in prison for each of the two counts of grand theft. On Friday, February 13, 2015, Hardman was convicted by a jury in Palm Beach County of two counts of grand theft for his role in defrauding more than thirty Florida victims in a fraudulent promissory note scheme. The joint OFR and Palm Beach County Sheriff's Office investigation found that Hardman collected more than $1.75 million dollars from his victims, some of whom were elderly clients of his deceased father's securities brokerage business and others were members of his Alcoholics Anonymous group. Hardman formed a company called Tech Support Systems and issued vague promissory notes promising returns as high as 7.5 percent. He used his company as the note issuer but could never explain to any of his investors what this company actually did. The notes offered his personal guarantee, but most of the investors lost their life's savings. Hardman is a formerly licensed Investment Advisor whose license terminated in 2003. The activity at issue occurred between 2007 and 2010. This OFR investigation was developed jointly with the Palm Beach County Sheriff's Office. The Palm Beach County State Attorney's Office prosecuted the case.
Press Release: South Florida Man Sentenced for Investment Fraud

Fraud Charges Filed Against Boca Raton Based Boiler Room Operation

On April 9, 2015, as a result of a joint OFR/SEC investigation, the Securities and Exchange Commission (SEC) filed civil fraud charges against eCareer Holdings Inc., and its executives, alleging the online staffing company defrauded more than 400 investors out of $11 million by selling the company's unregistered securities and misrepresenting the company's profit potential. In addition to the fraud charges, the SEC initiated an asset freeze against company principal Joseph J. Azzata and three other operators of the company who had been barred from the securities industry by a previous SEC action. The SEC complaint alleged that investors, including several elderly unaccredited investors, were defrauded in cold calls placed to them through a boiler room (Viper Asset Management, LLC) comprised of several sales agents spearheaded by brokers Dean A. Esposito, Joseph DeVito and Frederick Birks. Investors were told their money would be used as working capital to develop eCareer's online staffing business, but approximately 30 percent of the investor proceeds were instead diverted to pay exorbitant fees to Esposito, Birks and DeVito. Out of the $11 million the defendants raised since August 2010, $3.5 million was paid out to Viper's brokers. Records also reveal that Azzata diverted $650,000 to pay personal expenses related to his motor sports hobby as well as to pay other personal expenses including private school tuition and shopping expenses

incurred by his wife. The SEC complaint further alleged that Viper brokers entered into agreements that effectively hid their compensation under "advisory fees" and "finder's fees" so as not to be found to have violated the existing ban against selling securities. An OFR Investigator worked closely with the SEC to collect and present the evidence upon which this enforcement action was based. The OFR will continue to work closely with the FBI and the United States Attorney's office to bring criminal enforcement action against the principals in this case if warranted.
SEC Press Release: SEC Halts Microcap Scheme in South Florida

Purported Futures Trader Pleads Guilty to Wire Fraud in $700,000 Investment Scam

On Tuesday, April 14, 2015, Dante Stephen Giovannetti entered a guilty plea in federal court to a charge of wire fraud for his role in defrauding three investors out of approximately $700,000. Giovannetti, a purported equity futures trader, lured investors with promises of returns of nearly 300 percent from profitable trades. A joint OFR/FBI investigation, however, found no evidence of such returns. Instead, investigation revealed that Giovannetti created false trading account statements to support his many misrepresentations to investors. The false account statements were used by Giovannetti to induce at least three individuals to invest and showed tens of millions of dollars in fictitious profits from trading "E-mini" S&P 500 futures contracts and over $53 million in cash on deposit. Late in 2014, investors realized that Giovannetti was not investing their funds, but was instead using them for his personal living expenses. Investors filed a complaint with the National Futures Association (NFA) where Giovannetti was previously registered as an Associated Person. The NFA conducted a site audit at Giovannetti's residence in Orlando and discovered wrongdoing. This resulted in a referral of the matter to the Commodities Futures Trading Commission which filed a civil complaint in federal court seeking injunctive relief against Giovannetti. Giovannetti, however, fled the jurisdiction as the civil proceedings were in process. While the CFTC's enforcement case was underway, the OFR and FBI continued their parallel criminal investigation of the allegations, resulting in Giovannetti's indictment by the U.S. Attorney's Office. The Honorable Paul G. Byron, United States District Judge, adjudicated Giovannetti guilty of wire fraud upon the entry of his plea. Giovannetti is scheduled to be sentenced on July 8, 2015. He remains in the custody of the United States Marshalls Service while awaiting sentencing.

Pinellas County Man Charged with Theft in Investment Fraud Case

On April 21, 2015, Edward Bahl of Safety Harbor, Florida, was arrested and charged with one count of organized fraud and three counts of grand theft related to the operation of his company, Global Petroleum Resources, LLC (GPR). The investigation revealed that from July 2011 through June 2014, Bahl, the President and Chief Executive Officer of GPR, is alleged to have defrauded four investors out of approximately $108,250. Bahl issued agreements to investors titled "Loan Agreement and Promissory Note" to fund the acquisition of a

purported oil blending facility. Bahl is alleged to have promised investors that they would receive the return of their principal plus interest at a rate of 25-50 percent within 60 to 90 days. Bahl purportedly represented that GPR would enter into a royalty fee agreement with investors, paying them $0.10 a barrel for up to 250,000 barrels a month for three months based on GPR's production. An online search of the company's name revealed numerous press releases representing that GPR had successfully negotiated oil deals. Bahl also maintained a Facebook social media page, which contained several apparent misrepresentations, including an announcement of new GPR offices in the Bahamas and a trip to South Africa that resulted in a ten-year multi-million dollar oil and gas production contract. Contrary to these representations, the investigation found no evidence that Bahl traveled to these countries during the time that GPR was alleged to have been in operation. Moreover, a review of GPR's bank records did not reveal any transactions indicative of business revenue. Instead, the bank records revealed that investors' proceeds were purportedly appropriated by Bahl and used for his personal expenses including rent, travel, dining and lodging. To date, investors have received no return of their investments. Neither Edward Bahl nor Global Petroleum Resources is licensed with the OFR pursuant to Chapter 517, Florida Statutes. The OFR is the sole investigative agency. The case is being prosecuted by the Office of Statewide Prosecution in Tampa.
Press Release: Safety Harbor Man Arrested for Investment Fraud

Check Casher Arrested for Alleged Involvement in Stolen Identity Tax-Refund Fraud Scheme

On April 30, 2015, Mr. Wysmy Petit-Do was arrested by detectives of the Fort Lauderdale Police Department. The arrest follows state charges that he violated certain provisions of Chapters 817 and 560, Florida Statutes, by engaging in the criminal use of another's personal identifying information while acting as a licensed money services business. Petit-Do is the owner of Imperial Financial & Multi-Services, Inc., a licensed check-cashing business located in Lauderdale Lakes. While the business has been in operation since May 2010, Petit-Do has continually reported to the OFR that it has not engaged in check-cashing activities. Contrary to these representations, however, an analysis of Petit-Do's Wells Fargo bank account revealed that he cashed over 912 tax-refund checks payable to persons believed to be victims of identity theft. These checks totaled approximately $2,371,783.11, and were cashed between January 2012 and September 2012. The account into which these checks were deposited was never reported to the OFR by Petit-Do. This investigation identified 12 victims who allege that their identities were compromised and their information was used to file fraudulent tax returns. All checks derived from the fraudulent tax returns were deposited to an account controlled solely by Petit-Do or his business. The signature endorsements on these checks are believed to have been forged. Petit-Do is alleged to have received over $1.8 million from his participation in this scheme. This investigation was developed jointly with the Ft. Lauderdale Police Department. The Broward County State Attorney's Office is prosecuting the case.

The OFR has suspended Imperial Financial & Multi-Services, Inc.'s check cashing license.

Defendant Sentenced to Seven Years in Prison for Role in $80 Million Ponzi Scheme

On May 26, 2015, defendant Craig Allen Hipp was sentenced to seven years in federal prison for his role in perpetuating an $80 million Ponzi scheme that sold, but failed to deliver, Virtual Concierge Machines (VCMs) to over 1,800 investors nationwide. Hipp was the vice president of manufacturing and operations for JCS Enterprises and in charge of overseeing the design and manufacture of the machines. The VCMs were to be placed in ball parks and hotels and were offered to investors for $2,500-$3,500. Along with the promise that the VCMs would be manufactured and delivered, Hipp and three other defendants in this case, are alleged to have promised investors that they would each receive $300 a month for three years for every machine purchased. While making these representations, Hipp was aware that the machines were not being built (only 200 were ever manufactured and approximately 24,000 were sold). On March 13, 2015, following the completion of a 10-day trial, a jury found Hipp guilty of wire fraud, mail fraud and conspiracy to commit mail and wire fraud. Investments in the VCMs were marketed to investors using YouTube videos, mass email solicitations and investor seminars. The defendants are alleged to have misrepresented to investors that their funds would be used to order new machines and these would generate revenue from businesses that would use them to advertise products and services. In typical Ponzi fashion, however, funds obtained from newer investors were used instead to pay returns to earlier investors or diverted for the personal use of the defendants. Indicted with Hipp in May 2014, were Laura and Joseph Signore and Paul Schumack. Trials for each of the defendants are expected to take place in fall 2015. This investigation was developed jointly with the FBI and the SEC. The SEC filed a civil fraud complaint against the defendants in federal court and on Dec. 22, 2014, secured a court appointed receiver over the business. The U.S. Attorney's Office in West Palm Beach is prosecuting the case.

Remaining Defendants Sentenced for Roles in Investment Fraud Scheme

On May 27, 2015, co-defendants David O. Boyce, Jacob Bradshaw and Benjamin R. Williams were sentenced to 13 months, two years and four years imprisonment, respectively, following their convictions on federal charges of mail fraud, wire fraud and conspiracy to commit mail and wire fraud. The convictions were the result of plea agreements entered by the defendants for their roles in an elaborate investment fraud scheme involving purported investments in precious metals and stock. The scheme was orchestrated by lead defendant Christopher Anzalone. Anzalone was sentenced in March 2015, to serve 15 years in federal prison to be followed by three years of supervised release. The investigation revealed that the defendants sold fraudulent investments under various corporate names including Liberty International Holdings Corporation (LIHC), Liberty International Financial Services (LIFS), Allied Strategies Inc., Allied Marketing, LLC, and DBA Clearing, LLC. Through the allied entities alone, defendants raised approximately $3.3 million from 23 investors within a six month period (March 2013-October 2013). Investors were solicited to either purchase stock or positions in gold, silver and palladium. Those who purchased stock were told that a hedge fund was going to purchase those same shares at a later date, resulting in substantial profits. Investors who invested in the metals were told that Liberty held large quantities of precious metals stored in a Panamanian depository. The investigation found that all of these representations were false and analysis of financial records revealed that the money raised from investors was never used for the purposes represented, but instead was used to pay sales commissions and for the personal benefit of Anzalone and his co-defendants. All four defendants have been ordered to pay restitution. Combined, the restitution orders total more than $20 million. This investigation was developed jointly between OFR and the FBI. The U.S. Attorney's Office in Miami prosecuted the case.

Two Arrested for Role in Mortgage Fraud Scheme

On June 5, 2015, defendants David Cevallos and Osbel Sanchez were arrested by Special Agents of the Federal Housing Finance Agency. On April 29, 2015, Cevallos and Sanchez were indicted in U.S. District Court for the Middle District of Florida. Cevallos was charged with one count of conspiracy to commit wire fraud and six individual counts of wire fraud, and Sanchez was charged with one count of conspiracy to commit wire fraud and three individual counts of wire fraud. The charges stem from their alleged roles in an elaborate mortgage fraud scheme involving properties in Central and South Florida. Cevallos and Sanchez, in concert with others, bought or facilitated the sale of condominium units at highly inflated prices, funding the purchases through mortgage loans obtained from various financial institutions. The investigation revealed that these mortgage loans were made to credit-worthy straw buyers, who, without the lenders' knowledge or consent, had been recruited by Cevallos and Osbel to act as borrowers in exchange for compensation. The inflated property assessments allowed the sellers in the transactions, also co-conspirators in the scheme, to sell the homes for significantly more than market value. The proceeds from the sales would then be divided amongst the participants in the scheme. The indictments allege that Cevallos and Sanchez conspired with others to falsify settlement statements and mortgage loan applications in order to receive substantial and undisclosed kickbacks from the sellers. Their activities alone are alleged to have resulted in $4.2 million in losses. Further indictments are expected. This joint OFR/FBI/FHFA investigation was part of the U.S. Attorney's Middle District of Florida Mortgage Fraud Initiative and was developed jointly with the OFR/FBI and the Federal Housing Finance Agency. The activities averred in the indictments are alleged to have occurred between 2007 and 2008.

Jacksonville Man Sentenced to 10 Years in Prison in $3 Million Ponzi Scheme

On June 12, 2015, Anderson Scott Hall was sentenced by U.S. District Judge Timothy Corrigan to 10 years in prison during a hearing in federal court in

Jacksonville. Hall was also ordered to pay $3,068,116.20 in restitution to 48 victims. On January 28, 2013, Hall was arrested after being indicted on 10 counts of mail fraud and 10 counts of wire fraud in connection with his operation of a fraudulent investment scheme. According to the indictment, while working for a registered broker dealer, Hall operated a sham company (Abaco Securities International Ltd.), which he held out to be a legitimate international investment company. Hall was the mastermind behind a complex scheme to defraud numerous investors, including Duval County school teachers and administrators. Hall induced victim investors into transferring their retirement savings from legitimate life insurance companies and investment companies over to companies he controlled. Hall told the investors they would receive shares in a unit investment trust that would pay 10 percent guaranteed interest. Instead of investing the victims' funds as promised, Hall used the funds for his own benefit, including purchasing high-value luxury items and commercial and residential real estate. On occasion, as part of the fraud scheme, Hall would use money taken from new investors to pay earlier investors. In total, Hall defrauded investors out of more than $3 million. This case was initially developed by the Bureau of Financial Investigations. After analyzing the bank records and uncovering the fraud, this matter was brought to the attention of the FBI who joined the investigation in September 2012.

Sentencing of Money Services Business Owner Implicated in Tax-Refund Fraud Scheme

On June 15, 2015, Garaya Jackson was sentenced by the Circuit Court of Collier County to serve 76 months in state prison to be followed by 15 years of probation. She was also ordered to pay more than $70,000 in restitution. The sentence is the result of a plea agreement through which Jackson pled guilty to violating the state's Racketeer Influenced and Corrupt Organizations Act (RICO) and to acting as an unlicensed money services business. The charges stem from Jackson's involvement in an illegal check cashing scheme related to fraudulently obtained U.S. Treasury tax-refund checks. Jackson was arrested on March 10, 2014, as a result of the OFR's investigation of that scheme. The OFR investigation revealed that from April 2012 through April 2013, Jackson cashed at least 234 fraudulently obtained third-party U.S. Treasury tax-refund checks through her business, Garaya's Fashions, a retail clothing boutique in Immokalee. The tax-refund checks were the result of fraudulent tax returns filed in the names of identity theft victims. Jackson was not licensed as a check casher or exempt from the requirements of licensure at the time that most of the checks were cashed. The fraudulently obtained checks totaled more than $750,000. Jackson was remanded into custody immediately following the pronouncement of her sentence.
Press Release: Garaya Jackson Sentenced to 6+ Years in Prison for Role in Tax-Refund Fraud Scheme

Consumer Collection Agency Principal Arrested in Alleged Scheme to Defraud Homeowners Associations

On June 15, 2015, Robert Dana Brown was arrested by the U.S. Marshals Service in Seattle, Washington, based on an open Florida warrant issued in July 2014. Brown, a formerly licensed debt collector, moved to Washington after having apparently abandoned his Florida consumer collections business. Through that business, Brown is alleged to have defrauded several Florida-based homeowners' associations (HOAs) with which he had contracts to provide debt collection services. In his role as president of Leading Association Solutions, Inc., Brown is accused of collecting and failing to remit at least $56,000 in delinquent dues owed to various HOAs in Lee County. Further investigation revealed that from 2008 to 2012, Leading Association Solutions collected more than $4 million from over 400 accounts to satisfy property liens held on behalf of different HOAs. In July 2014, Circuit Judge Keith Kyle of Lee County issued a search warrant for the seizure of more than $180,000 maintained by Brown at First Citizens Bank in Ft. Myers. All funds seized were shown to have been derived from Brown's consumer collection activities. These monies have since been frozen pending resolution of the criminal case. According to federal marshals, at the time of his arrest, Brown was working in sales for four different companies in the U.S. and Canada. The State Attorney's Office, 20th Judicial Circuit, is preparing Brown's extradition to Florida for an arraignment hearing. Press Release: Consumer Collection Agency Principal Arrested for Defrauding Homeowners Associations

Defendant Sentenced in Investment Fraud Case

On June 22, 2015, Frederick Glover was sentenced in Seminole County Circuit Court to time served 459 days and 10 years of probation after accepting a plea agreement. On March 11, 2015, Glover pled no contest to one count of securities fraud, one count of grand theft and one count of selling an unregistered security. A condition of the plea agreement and sentencing requires Glover to pay restitution in the amount of $309,500 and prosecution costs and investigative costs of approximately $28,000. On July 12, 2011, Frederick Glover and his wife, Mary Glover, were arrested in connection with their involvement in several fraudulent investment offerings associated with their business, T-1 Business Centers. A warrant was also issued for their business associate, Garold Gipson, who was arrested on July 14, 2011. Frederick Glover and his co-defendants defrauded multiple investors in a collateral leasing scheme whereby investors would place funds with Glover for the purpose of having Glover lease collateral such as bank guarantees or certificates of deposit. The collateral would then purportedly be used to obtain loans from financial institutions. Glover promised investors he would pay them returns, which in some cases were to exceed 600 percent, from the loan proceeds. Investors received no return on their investments. On September 13, 2012, Garold Gipson was adjudicated guilty on one count of grand theft pursuant to a plea agreement in Seminole County Circuit Court. Gipson received 10 years of probation and was ordered to pay restitution of $20,000 and investigative costs of $1,000. On November 2, 2012, Mary Glover was adjudicated guilty on two counts of selling unregistered securities pursuant to a plea agreement in Seminole County Circuit Court. Glover received five years of probation and was ordered to pay investigative costs of $1,000. The OFR was the sole investigative agency involved in the case but was assisted in the execution of the search warrant and subsequent arrests of the defendants by the Florida Department of Law Enforcement and the Altamonte Springs Police Department.

2. Substantial Sanctions and Fines

Final Order for $5,000 Fine Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On April 3, 2015, the Division of Securities entered a final order against Inspire Capital Management, LLC, and Michael McKee for engaging in prohibited business practices by failing to maintain an accurate Form ADV, send clients itemized invoices, maintain an accurate advisory agreement and to comply with the custody requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. A $5,000 administrative fine was paid.

Permanent Bar and $45,000 Fine Against an Associated Person for Prohibited Business Practices

On April 3, 2015, the Division of Securities entered a final order against Jamie D. Pope, permanently barring Mr. Pope from registration with the office, after he failed to request a hearing. The final order follows an administrative complaint, which alleged Jamie D. Pope engaged in prohibited business practices by borrowing money from customers and engaging in private securities transactions with without approval from his employing broker dealer firm. An administrative fine of $45,000 was assessed.

Permanent Bar and $62,500 Fine Against an Associated Person

On April 7, 2015, the Division of Securities entered a final order against Kevin Luby permanently barring him from registration with the OFR, after he failed to request a hearing. The final order follows an administrative complaint, which alleged Mr. Luby engaged in prohibited business practices by failing to disclose and obtain approval from his employing broker dealer firm for his outside business activity. The activity included being appointed co-personal representative, co-successor and beneficiary of a customer’s revocable trust. An administrative fine of $62,500 was assessed.

Permanent Bar and $110,000 in Total Fines Against Unregistered Broker Dealers and Associated Person for Fraud

On April 7, 2015, the Division of Securities entered a final order against Pinnacle Investments, LLC, and Jose Anthony Valenzuela permanently barring them from registration with the OFR, after they failed to request a hearing.
The final order follows an administrative complaint, which alleged Pinnacle Investments, LLC, and Mr. Valenzuela offered and sold unregistered securities, engaged in securities business in Florida without being registered and conducted fraudulent securities transactions. A total of $110,000 in administrative fines was assessed.

Loan Originator License Suspended Following Arrest

On April 13, 2015, the Division of Consumer Finance suspended the loan originator license for Frankie Damiano. On March 24, 2015, Damiano was arrested for burglary with an assault or battery, and battery on a person 65 years or older, both felonies and two counts of simple battery, a misdemeanor.

Final Order for $11,000 Fine Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On April 14, 2015, the Division of Securities entered a final order against Anderson Investment Management, LLC, and Kurt Lewis Anderson for engaging in prohibited business practices by failing to file audited financial statements, maintain required net capital, maintain an accurate Form ADV, send clients itemized invoices and comply with the custody requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. An $11,000 administrative fine was paid.

Permanent Bar and $300,000 in Total Fines Against an Unregistered Issuer Dealer and Associated Persons for Fraud

On April 20, 2015, the Division of Securities entered a final order against Allied Markets, LLC, Joshua Gilliland and Chawalit Wongkhiao permanently barring them from registration with the OFR, after they failed to request a hearing. The final order follows an administrative complaint, which alleged the firm and associated persons failed to provide prospectus to purchasers, offered and sold unregistered securities, engaged in securities business in Florida without being registered and conducted fraudulent securities transactions. A total of $300,000 in administrative fines was assessed.

Final Order for $8,500 Fine Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On April 27, 2015, the Division of Securities entered a final order against Traver Financial Consulting Network, PA, and John Micheal Traver for engaging in prohibited business practices by failing to maintain accurate investment advisory agreements, send clients itemized invoices and comply with the custody requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. An $8,500 administrative fine was paid.

Final Order for $6,000 Fine Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On May 8, 2015, the Division of Securities entered a final order against ChartTrader Inc., d/b/a GrowthVest, and William D. Sergautis for engaging in prohibited business practices by failing to timely file audited financial statements, maintain required net capital, maintain current records, maintain an accurate Form ADV, and making false and misleading statements on the firm’s business cards. A $6,000 administrative fine was paid.

Final Order for $2,500 Fine Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On May 11, 2015, the Division of Securities entered a final order against Bob Decker & Associates, LLC, and Robert Neal “Bob” Decker for engaging in prohibited business practices by failing to file audited financial statements and to comply with the custody requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. A $2,500 administrative fine was paid.

Final Order for $2,500 Fine Against an Associated Person for Failure to Disclose

On June 2, 2015, the Division of Securities entered a final order against Darrayl Lamar Miles for failure to disclose the July 2013 regulatory action taken against him by the Florida Department of Financial Services. A $2,500 administrative fine was paid.

Final Order for $6,000 Fine Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On June 2, 2015, the Division of Securities entered a final order against The Old River Company d/b/a Emerald Financial Management and Allen P. Auger for engaging in prohibited business practices by failing to timely file financial statements, prepare and/or maintain accurate and current financial statements and maintain an accurate Form ADV. A $6,000 administrative fine was paid.

Final Order for $5,000 Fine Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On June 2, 2015, the Division of Securities entered a final order against Sullivan Investments Group, LLC, and Craig H. Sullivan for engaging in prohibited business practices by failing to maintain accurate investment advisory agreements, send clients itemized invoices, timely file audited financial statements, maintain required net capital and comply with the custody requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. A $5,000 administrative fine was paid.

Permanent Bar and $20,000 Fine Against Florida Companies and Principal for Fraud

On June 2, 2015, the Division of Securities entered a final order against Infinite Media Group, LLC, Infinite Entertainment Group, LLC, Gidget Film Partners, LLC, Love In Vain Film Partners, LLC, Hello Kitty Film Partners, LLC, and Steele Shannon, permanently barring the firms and Steele Shannon from registration with the office after they failed to request a hearing. The final order follows an administrative complaint, which alleged the firms and Steele Shannon conducted fraudulent securities transactions. A $20,000 administrative fine was assessed.

Final Order for $15,000 Fine Against a Broker-Dealer Firm for Prohibited Business Practices

On June 4, 2015, the Division of Securities entered a final order against

J.P. Turner & Company, LLC, for engaging in prohibited business practices by failing to establish, maintain and enforce written procedures to properly review and supervise the activities of an associated person's mutual fund trading activities. A $15,000 administrative fine was paid.

Final Order for $7,500 Fine Against an Investment Adviser Firm for Prohibited Business Practices

On June 4, 2015, the Division of Securities entered a final order against Lionsbridge Wealth Management, LLC, for engaging in prohibited business practices by failing to file audited financial statements, maintain required net capital and to comply with the custody requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. A $7,500 administrative fine was paid.

Final Order for $8,000 Fine Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On June 5, 2015, the Division of Securities entered a final order against REAP in Wealth Management, LLC, and David Hamilton Morgan for engaging in prohibited business practices by failing to maintain an accurate Form U-4 for Mr. Morgan, maintain accurate company website, brochure and business cards and comply with the custody requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. An $8,000 administrative fine was paid.

Twelve Year Bar and $32,000 Fine Against Unregistered Associated Person for Fraud

On June 10, 2015, the Division of Securities entered a final order against David Yaacov Grossman and Grossman & Stein, barring Mr. Grossman for 12 years from affiliating or seeking future registration as a dealer, investment adviser, or associated person under the Florida Securities and Investor Protection Act, Chapter 517, F.S. David Yaacov Grossman and the firm were found to have offered and sold unregistered securities and engaged in securities business in Florida without being registered. In addition, Mr. Grossman was found to have obtained money by means of fraud. A $32,000 administrative fine was assessed against David Yaacov Grossman.

Final Order for $5,000 Fine Against an Associated Person for Unregistered Activity

On June 12, 2015, the Division of Securities entered a final order against Stephen James Myler for engaging in unregistered investment advisory activities. A $5,000 administrative fine was paid.

Final Order for $6,000 Fine Against an Investment Adviser Firm and Associated Person for Prohibited Business Practices

On June 24, 2015, the Division of Securities entered a final order against Lake Advisory Group, Inc., and Daniel Joseph Doan for engaging in prohibited business practices by failing to send clients itemized invoices, timely file audited financial statements, maintain required net capital and comply with the custody requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. A $6,000 administrative fine was paid.

Final Order for $10,000 Fine Against an Investment Adviser Firm for Prohibited Business Practices
On June 24, 2015, the Division of Securities entered a final order against Lanson Advisors, LLC, for engaging in prohibited business practices by failing to prepare and maintain written supervisory procedures, send clients itemized invoices, timely file audited financial statements and comply with the custody requirements of the Florida Securities and Investor Protection Act, Chapter 517, F.S. A $10,000 administrative fine was paid.

Permanent Bar Against Unregistered Associated Person for Fraud
On June 24, 2015, the Division of Securities entered a final order against Phil Donnahue Williamson for engaging in outside business activity, selling away, unregistered investment activity, selling unregistered securities, a Ponzi scheme and fraud. Mr. Williamson is permanently barred from engaging in, affiliating with or seeking future registration as a dealer, investment adviser or associated person under the Florida Securities and Investor Protection Act, Chapter 517, F.S.

Denial of Associated Person Applications
From April 1 to June 25, 2015, the Division of Securities denied six applications for registration as an associated person. The Notices of Intent to Deny, in each case, alleged that the associated person made a material misrepresentation or misstatement on their application for registration as an associated person.

Fines Totaling $ 47,500 for Unregistered Activity
From April 1 to June 25, 2015, the Division of Securities fined six associated persons for engaging in unregistered investment advisory or securities activities in the State of Florida. Fines total of $47,510 were paid.