
OFR Quarterly Report to the Financial Services Commission

December 31, 2010

J. Thomas Cardwell
Commissioner

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FINANCIAL SERVICES COMMISSION

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Our mission is to protect the citizens of Florida by carrying out the banking, securities and financial laws of the state efficiently and effectively and to provide regulation of business that promotes the sound growth and development of Florida's economy.

Commissioner Cardwell's Comments

Florida's economy continues to face many challenges and, as a result, Florida's financial industries continue to face significant stress. Since January 2009, 44 financial institutions have failed: 14 in 2009, 29 in 2010 and one already in 2011. Florida is in the top five states nationally in the number of mortgage foreclosures. Home sales remain sluggish and prices for existing homes are flat. Like many families and businesses in Florida, OFR was significantly impacted by the real estate market. Just as our industries are struggling to adapt to the changing economic landscape, we are making efforts to adapt as well.

As required by the Legislature, OFR submitted a 15% reduction plan for next year as part of the Legislative Budget Request (LBR) in October. Our submission at that point was based on the best information available at that time. We have now found that actual revenues are even less than we had projected due to the difficult business conditions our industries are facing.

Specifically, the number of persons seeking to be licensed in the mortgage industry has decreased significantly. In June 2007, OFR had more than 80,000 individual mortgage brokers licensed. By October 2010, the number had decreased by about half. We just concluded our current registration cycle on December 31st, and had slightly fewer than 15,000 individual applicants. We knew there would be a drop off, but the depth of the problems in the Florida housing market were greater than anticipated, even by noted economists.

We expect that as the housing market does come back, the mortgage broker business will come back as well; however, the return will not be v-shaped and it will not return to its former level.

In the area of Banking, the total assets held in state-chartered banks have declined. In 2009, total deposits in state-chartered banks were \$60 billion. According to the latest figures (September 2010), the number has dropped to \$50 billion. This has not been caused so much by a decrease in total bank deposits in the state, but rather by the fact that some of the larger state-chartered banks that were closed were acquired by federally chartered institutions.

We knew that agency revenues would be challenged. We now have a much clearer idea how much. I think we are at the bottom of this economic cycle. Some of our businesses have remained stable. The businesses that were negatively impacted will come back over time. Banking should be back to where it was in the next year or two. Mortgage brokerage will never return to its frothy heights.

Since we have a better view of our position than we did in October, we are promptly responding to what we now know. We will be filing an amended LBR which will involve shrinking the size of the agency and will take a significant step to matching our revenues to our expenses. We are developing a realistic business plan to deal with the

situation we face. It will have painful aspects but we will work within our resources to continue to provide service to the citizens of Florida and the industries we regulate.

I would like to point out there are positive indicators as well. No Florida banking customers have lost a single dollar of insured deposits. Florida remains a good banking market as evidenced by the continued interest in acquisition of our closed institutions.

Revenue for the Division of Securities is stable. The Division has been successful in levying and collecting several large fines, as well as securing money for Florida consumers and the Florida State Board of Administration (SBA).

- In November, **UBS Securities, LLC** and **UBS Financial Services, Inc.**, paid fines totaling \$6,581,232 and were required to offer to repurchase auction rate securities from eligible customers. The firms failed to reasonably supervise their agents and engaged in dishonest and unethical practices. As a result of OFR's involvement with the North American Securities Administrators Association (NASAA) Auction Rate Securities Task Force over the last two years, fines in excess of \$35.5 million have been assessed and collected against firms which engaged in related unlawful sales activity.
- In December, **JP Morgan Securities, LLC** paid OFR \$2 million in fines and costs of investigation, and paid the SBA \$23 million to settle claims related to its sale of unregistered securities to the Local Government Investment Pool (LGIP). LGIP was not qualified to purchase the securities, in violation of Florida and federal securities laws.

The Division of Finance has continued to resolve examinations as a result of the Loan Modification Sweep which began in January 2010. Since that time, we opened 840 examinations. Of the 742 examinations we have completed, 123 or 17% have been referred to our Legal Services Office for enforcement action. We have filed 88 legal actions and made nine referrals to the Florida Bar Association. At this time, we have followed up approximately one-third of the legal actions filed. The follow up demonstrates that 19 firms are now compliant, while only six remain out of compliance.

The US Treasury Department is launching the Small Business Lending Fund Program. The \$30 billion fund encourages lending to small businesses by providing equity capital to qualified community banks. Through the fund, Main Street banks and small businesses can work together to help create jobs and promote economic growth in local communities. A total of \$98 million in funding has been allocated to Florida financial institutions, with an expected increase of \$977 million in new lending to small businesses in Florida. The Division of Financial Institutions is working closely with the Federal Deposit Insurance Corporation and the Federal Reserve Bank of Atlanta to implement the lending program.

While these economic times cause stress for Floridians – individuals, families, businesses and State leaders – OFR continues to strive to meet our two-pronged

mission to **protect the citizens** of the of Florida by providing effective regulation that **promotes sound growth and development of Florida's economy.**

A handwritten signature in black ink that reads "J. Thomas Caldwell". The signature is written in a cursive style with a large initial "J" and a long, sweeping tail on the "l".

OFR Outreach

OFR actively pursues opportunities to educate Florida consumers so they can make sound and informed financial decisions, as well as our regulated industries regarding licensing and compliance issues. Our industry and consumer outreach has given us the opportunity not only to educate, but also promote fraud prevention, consumer protection and regulatory compliance.

In the second quarter of the 2010-2011 fiscal year, the Office conducted more than 15 presentations, reaching close to 1000 consumers and industry professionals. OFR presented to the Florida Association of Business Tax Officials, Florida Collectors Association, Council on Aging, Financial Management Association of Florida State University, Florida International University law students, International Money Transmitters Association, Florida Independent Automobile Dealers Association, Florida Bankers Association, American Association of Retired Persons, consumers and military personnel and families. Some of our presentations topics included: Regulatory and Licensing Requirements, Investor University on Base, Preventing Securities Fraud, Reverse Mortgages, Home Buying, Identity Theft, Senior Investment Fraud Prevention, Investor Fraud Prevention, Basics of Saving and Investing and Loan Modification Consumer Protections.

Division of Financial Institutions

Financial Institutions Offsite Monitoring Program

To make the most effective use of resources, the Division of Financial Institutions (DFI) will supplement its examination and regulatory program with an increased reliance on offsite monitoring of the institutions. Offsite monitoring allows a regulator to monitor performance on a real-time basis rather than wait for performance updates at periodic examinations. In October 2010, a working group was formed to evaluate offsite tools for inclusion in the state's existing monitoring program. Products under evaluation include a forward-looking tool that performs stress tests on the composition and maturity of a financial institution's balance sheet. The offsite team will work closely with field examiners and management throughout 2011 to ensure that only the most effective and useful tools are selected for inclusion in the offsite program.

Small Business Lending Fund

On December 21, 2010, the US Treasury Department launched the Small Business Lending Fund Program. The \$30 billion fund encourages lending to small businesses by providing equity capital to qualified community banks with assets of less than \$10 billion. Through the Small Business Lending Fund, Main Street banks and small businesses can work together to help create jobs and promote economic growth in local communities across the nation. A total of \$98 million in funding has been allocated to Florida financial institutions, with an expected increase of \$977 million in new lending to small businesses in Florida. The Division is working closely with the Federal Deposit

Insurance Corporation and the Federal Reserve Bank of Atlanta to implement the lending program.

Examiner Training

During October 2010, the Division conducted comprehensive training for all financial institution examination staff and regulatory attorneys. The training covered current topics related to accounting, examination, bank closing procedures and economic updates.

During the second quarter of the fiscal year, five institutions in Florida failed, four of which are state chartered:

- The Bank of Miami National Association, Coral Gables
- Gulf State Community Bank, Carrabelle
- Progress Bank of Florida, Tampa
- First Bank of Jacksonville, Jacksonville
- Wakulla Bank, Crawfordville

	Number of Institutions				
	6/30/2007	6/30/2008	6/30/2009	6/30/2010	12/31/2010
Banks	212	214	206	182	171
Credit Unions	88	82	79	78	76
Foreign Bank Offices	45	39	41	39	37
Trust Companies	14	13	12	12	12
Total	359	348	338	311	296

Historical Financial Data for State-Chartered Institutions (In Billions of Dollars)

	6/30/2007	6/30/2008	6/30/2009	6/30/2010	9/30/2010
Banks					
Assets	67.8	70.3	73.6	62.2	60
Deposits	53.6	54.5	60.1	51.7	49.8
Capital	7.4	7.6	6.7	5.8	4.9
Credit Unions					
Assets	18.5	19.1	20.7	20.9	20.9
Deposits	15.7	16.2	17.6	17.8	17.8
Capital	2.1	2.0	2.0	2.0	2.0

Division of Securities

The Leaders Group, Inc., was fined \$22,500 in October and ordered to hire an independent consultant to review its supervisory procedures and implement the consultant's recommendations. The fine and undertakings were based on findings the firm failed to establish adequate written supervisory procedures and failed to properly supervise its agents.

In December, OFR revoked the dealer registration of **WallStreet*E Financial Services**, and denied the investment adviser application of **WallStreete Investment Advisors**. OFR also revoked the registration of **Carlos Francisco Otalvaro** as an agent of the dealer and denied his application as an agent of the investment adviser. Fines of \$162,500 were assessed against Otalvaro and the dealer, and \$4,000 against Otalvaro and the investment adviser. The dealer failed to conduct regular periodic inspections of its branch offices, failed to approve and review discretionary account activity, and failed to prevent and detect unregistered trading activity.

Jason Kraskiewicz was fined \$116,000 in December for conducting unauthorized trades in customer accounts and transferring client funds for his personal use without the customers' permission. Kraskiewicz was ordered to cease and desist, and he is no longer registered with OFR.

Rules

During the fourth quarter, the Division of Securities adopted rules to implement legislation relating to disciplinary guidelines for determining penalties in enforcement cases.

Securities Examinations and Complaints					
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-2010	FY 2010-11 Q2
Examinations Opened	105	204	168	291	56
Examinations Closed	197	254	278	310	74
Complaints Opened	123	287	479	298	175
Complaints Closed	195	332	503	364	182

Fiscal Year 2010-2011 Registration Statistics (Q2)

Applications Received:	13,028	Denied/Withdrawn:	259
Applications Approved:	11,272	Approved with Restrictions:	2

Division of Finance

Mortgage Broker Applications

The Secure and Fair Enforcement in Mortgage Licensing Act of 2008 (SAFE Act), was passed in 2008 at the federal level to eliminate persons with a history of certain criminal activity or specific misconduct related to loan origination, and require mortgage brokers and lenders to meet minimum national standards. The Legislature passed a bill in 2009 to implement the changes at the state level.

On October 1, 2010 Florida began accepting mortgage license filings through the Nationwide Mortgage Licensing System (NMLS). As part of the statutory changes in Chapter 494, Florida Statutes, all licensed mortgage entities were required to reapply for a new mortgage license by December 31, 2010.

The number of applications received was significantly less than anticipated. We believe this is due to several factors. The standards for licensure have increased significantly as a result of the SAFE Act. The background check requirements are more extensive and more stringent with the addition of credit reports and a determination of financial responsibility. Next, due to the significant drop in mortgage activity, many former licensees may have elected not to apply due to the decreased potential for business. Further, because of the need to take a new national pre-licensing test, along with the additional cost to file through NMLS, people may not apply.

Because of the decline in revenue, OFR is looking at ways to reduce expenses in the current fiscal year, as well as in the upcoming fiscal year. We recognize the decrease in workload will not be proportionate to the decline in revenues or the decline in the number of registrants.

Significant Cases

On October 1, OFR took administrative action taken against **Financial Exchange Network** based on work by the Bureau of Money Services Businesses. The action revokes the license of Financial Exchange Network, imposes a \$50,000 fine, and prohibits **Heberto Espinosa** from participating in any business regulated by the Division for seven years.

In November, defendants **Stanley Gabart** and **Alix Accime** of Miami, **Ultha Danielle Accime** of Boynton Beach, and **Marie Decosta Quintana** of North Miami Beach, entered guilty pleas based on joint investigations with the US Attorney - Southern District of Florida, the FBI, the US Secret Service, the US Postal Inspection Service, Florida Department of Law Enforcement (FDLE) and Finance Regulation staff. During 2007, the defendants made numerous false statements in order to qualify for mortgages. Quintana and Accime acted as straw purchasers and were paid for allowing the use of their names and credit scores, and they also signed documents containing false information. In addition, Accime and Gabart recruited individuals to act as straw purchasers. The fraudulent scheme resulted in more than \$3 million in losses to three banks.

In December, in conjunction with the US Attorney for the Southern District of Florida, the US Postal Inspection Service and FDLE, the Division announced the indictment of **Jaime Vaca**, of Fort Lauderdale. Vaca was arrested on mail fraud charges for allegedly providing false Verification of Deposit forms for borrowers submitting mortgage loan applications through **The Lending House, Inc.**, in Fort Lauderdale. Vaca was paid \$1,500 for providing fraudulent Verification of Deposit forms for borrowers. If convicted, Vaca faces imprisonment of up to 30 years.

Finance Examinations and Complaints

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-2010	FY 2010-11 Q2
Examinations Opened	284	215	231	1,043	394
Examinations Closed	301	279	367	1,007	551
Complaints Opened	1,524	1,727	2,278	3,829	1,853
Complaints Closed	1,145	1,921	2,865	3,941	2,062

Money Services Businesses Examinations and Complaints

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-2010	FY 2010-11 Q2
Examinations Opened	139	182	249	365	229
Examinations Closed	117	162	193	388	183
Complaints Opened	56	33	52	68	44
Complaints Closed	50	28	59	78	31

Fiscal Year 2010-2011 Licensing Statistics (Q2)

<u>Finance Applications**</u>		<u>Money Services Businesses Applications</u>	
Applications Received:	18,782	Applications Received:	1,735
Applications Approved:	1,392	Applications Approved:	1,696
Denied or Withdrawn:	1,971	Denied or Withdrawn:	25

** On October 1, 2010, Florida began accepting mortgage license filings through the Nationwide Mortgage Licensing System (NMLS). All existing mortgage licensees that desired to continue operating were required to reapply for licensure by December 31, 2010. Consequently, the Office has experienced a high volume of application filings. Of the 18,872 Finance applications received during this quarter, 17,666 were mortgage-related and filed through the NMLS.

Bureau of Financial Investigations

On November 3, as a result of a joint investigation between the Bureau of Financial Investigations (BFI), FDLE and the US Postal Inspection Service, **David Richard Lewalski**, owner of **Botfly, LLC.**, was arrested in New York City by US Marshals for allegedly operating a \$30 million Ponzi scheme in Florida. Lewalski allegedly sold unregistered securities in the form of promissory notes to over 500 investors, offering a 10% monthly return purportedly derived from foreign exchange trading. Investigators allege Lewalski invested only a small portion of the funds in trading activities that generated few, if any, profits. Lewalski allegedly made "interest payments" totaling about \$15 million to some investors by using other investors' money. The case is being prosecuted by the US Attorney's Office, Middle District of Florida.

On November 3, **Harrison H. Jones**, owner of **The Financial Planning Center** (also known as **Eagle Eye Financial Services**) located in Panama City, pleaded guilty to 259 felony counts including securities fraud, sale of unregistered securities, theft from the elderly and operating a scheme to defraud. Jones was sentenced to 12 years imprisonment followed by two years of house arrest and eight years of probation. Jones' conviction is the result of a joint investigation by the BFI, the Bay County Sheriff's Office and the US Postal Inspection Service into allegations Jones ran a Ponzi scheme for over ten years. Investigators alleged Jones obtained over \$6 million from 92 investors and was utilizing new investor funds to make interest payments to earlier investors. The case was prosecuted by the State Attorney's Office, 14th Judicial Circuit.

On November 5, defendant **John Pavao** was sentenced to ten years imprisonment followed by 20 years probation for his role in orchestrating an elaborate \$6 million mortgage fraud scheme. Pavao, and his daughter **Shastine**, were arrested following a BFI investigation which alleged that, using their company **JPS Investments Group, Inc.**, they victimized over 80 financially distressed homeowners by promising to prevent the foreclosure of their homes. The victims, including several elderly and disabled persons, claimed the Pavaos convinced them to sign over their homes under the false pretense of completing loan applications. Investigators alleged the defendants then fraudulently obtained mortgage loans against the properties with the proceeds going to their personal use. Shastine Pavao was previously sentenced to six years in prison and 12 years probation. The case was prosecuted by the Office of Statewide Prosecution.

On November 12, **Patricia** and **Scott Rahn** were arrested by the Broward County Sheriff. Both husband and wife were charged with one count of exploitation of the elderly. In November 2007, Patricia Rahn, using her mortgage brokerage license, allegedly obtained a reverse mortgage for an 85 year old woman. The investigators allege the proceeds of \$156,900 were used to purchase an annuity, from which Rahn received a substantial commission. The annuity was then fraudulently surrendered and the proceeds transferred into Scott Rahn's personal business, **Palm Beach Financial** as a "loan to the company." This case was investigated by BFI and the Division of

Insurance Fraud, and is being prosecuted by the Broward State Attorney. OFR has suspended Patricia Rahn's mortgage broker's license.

On November 19, a 14-count indictment was returned charging **Lydia I. Cladek** of St. Augustine, for wire and mail fraud and conspiracy to commit wire and mail fraud. The indictment comes after OFR investigators assisted the FBI with the execution of search warrants at **Lydia Cladek, Inc.** in St. Augustine Beach and two other locations. The indictment alleges Cladek committed fraud in connection with the sale of over \$113 million in promissory notes to over 1,400 investors and her investment program was a Ponzi scheme. The case is being prosecuted by the US Attorney's Office, Middle District of Florida.

In November, six defendants were arrested on first degree grand theft charges for their participation in a mortgage fraud scheme involving property in Broward County. **Claudia Bolivar**, formerly a licensed mortgage broker, allegedly prepared mortgage loan documentation for submission to an out of state lender. Included in the residential loan package were fictitious employment and income verification forms. The alleged organizer of this mortgage fraud scheme, **Faubert Bonheur**, connected Bolivar with the other co-defendants, including title agent **Jeanette Rodriguez** and appraiser **Miguel Rodriguez**. **Lucien Laguerre** recruited the straw buyer used in the transaction, **John Paul**. The proceeds of the fraudulent loan (\$130,000) were allegedly divided among the defendants. The arrest warrants were the result of an investigation conducted by the BFI as part of the Broward Mortgage Fraud Task Force. The Broward State Attorney's Office is prosecuting the case.

On December 15, **Carolina Visbal** was sentenced to 27 months in federal prison and **Guillermo Moran** was sentenced to 31 months in federal prison followed by three years probation respectively. Attorney **Jerry Velazquez** was sentenced previously to 34 months and **Ronald Landires** to 30 months in federal prison followed by three years of probation. All have previously pleaded guilty to one count of conspiracy to commit wire fraud. Beginning in April, 2006 through September, 2006, the defendants were engaged in a condo flipping operation in Aventura defrauding lenders of over \$5.6 million. The defendants identified condominium units for sale and recruited straw buyers to purchase the units at a price higher than what the seller was seeking. The defendants then submitted false and fraudulent information to lenders in order to secure mortgages for the straw-buyers. OFR investigators worked jointly on this case with agents from the US Postal Inspection Service. The case was prosecuted by the US Attorney's Office, Southern District of Florida.

On December 22, **Beau Diamond**, owner of **Diamond Ventures, LLC**, was sentenced to 15 ½ years in federal prison and ordered to pay \$23 million for operating a Ponzi scheme from April 2006 through January 2009. Approximately 200 investors lost money in the scheme which involved foreign currency trading. The investors' monies dissipated through Ponzi distributions to investors, losing trades, and diversions to Diamond for his own personal use. This case was investigated jointly by BFI, the FBI and the IRS, and was prosecuted by the US Attorney's Office in Tampa.

Open Investigations by Type as of:

	6/30/2007	6/30/2008	6/30/2009	6/30/2010	12/31/2010
Securities					
Unregistered	182	199	199	189	174
Securities Registered	2	4	5	5	2
Assists and Preliminary	80	62	69	108	98
Finance Licensed	58	81	101	102	53
Finance Unlicensed	113	114	125	68	76
Banking	5	0	4	3	4
Total	440	460	503	475	407

Investigative Statistics

	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-2010	FY 2010-11 Q2
Investigations Opened	177	168	200	113	81
Investigations Closed	167	162	195	162	111
Closed with Action	61	60	57	57	17
% Closed with Action	37%	37%	29%	35%	15%

OFR Performance Results 1st Quarter FY 2010-2011

Safety and Soundness of State Banking System				
Approved Performance Measure for FY 2010-11	Approved Prior Year Standard FY 2009-2010	Prior Year Actual FY 2009-2010	Approved Standard for FY 2010-2011	2nd Quarter Result
Primary Service Outcome - Percentage of new Florida financial institutions that seek state charters	67%	NA	67%	N/A ¹
Percentage of all applications, except new charter applications, deemed statutorily complete that are processed within 60 days, and within 90 days.	NA	NA	67%/100%	92%/100%
Percentage of state financial institutions completing surveys that rate the contribution of the State examination process to promoting safe and sound institutions as 2 or better	NA	NA	85%	94%
Percentage of surveys returned that rate the Division's examination program as satisfactory or above	75%	80%	75%	80%

¹ No new charter applications received

Financial Investigations				
Approved Performance Measure for FY 2010-11	Approved Prior Year Standard FY 2009-2010	Prior Year Actual FY 2009-2010	Approved Standard for FY 2010-2011	2nd Quarter Result
Primary Service Outcome - Percentage of investigations accepted by prosecutors or OFR Legal Counsel for enforcement that result in action being taken	80%	86%	80%	74% ²
Percentage of priority investigations accepted by prosecutors or OFR Legal Counsel for enforcement action within 12 months of case opening	N/A	60%	60%	63%

² The Bureau is reviewing all open investigations, which resulted in a higher than normal number of case closings. Quarterly results may not be an accurate predictor of annual results; however, management believes it will meet this goal for the year.

Executive Direction				
Approved Performance Measure for FY 2010-11	Approved Prior Year Standard FY 2009-2010	Prior Year Actual FY 2009-2010	Approved Standard for FY 2010-2011	2nd Quarter Result
Primary Service Outcome - Program administrative costs (excluding Office of Legal Services) as a percentage of total program costs	less than 3%	2.9%	less than 3%	3.5% ³
Program administration costs (including Office of Legal Services) as a percentage of total program costs	less than 12%	10.0%	less than 12%	8.9%
Program administration positions (including Office of Legal Services) as a percentage of total program positions.	less than 12%	10.5%	less than 12%	7.7%
Program administrative positions (excluding Office of Legal Services) as a percentage of total program positions	less than 3%	2.6%	less than 3%	2.4%

³ Expenses have increased due to increased travel due to filling all senior management level positions. Travel was to regional offices to meet with staff.

Finance Regulation				
Approved Performance Measure for FY 2010-11	Approved Prior Year Standard FY 2009-2010	Prior Year Actual FY 2009-2010	Approved Standard for FY 2010-2011	2nd Quarter Result
Finance Examinations				
Average number of days to refer a priority examination to Legal Services	N/A	N/A	43	133 ⁴
Average number of days to conclude a priority examination	N/A	N/A	65	92 ⁵
Total number of consumer complaints that are opened by OFR staff	N/A	N/A	3500	1,853

⁴ The increasing need to use investigative subpoenas to obtain records in loan modification cases adds significant time to the resolution of the case. Quarterly results may not be an accurate predictor of whether the measure will be met at year end.

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Approved Performance Measure for FY 2010-11	Approved Prior Year Standard FY 2009-2010	Prior Year Actual FY 2009-2010	Approved Standard for FY 2010-2011	2nd Quarter Result
Money Service Businesses Regulation				
Percentage of statutorily required examinations conducted	100%	127%	100%	225%
Percentage of check casher/foreign currency exchangers receiving an examination report within 60 days after the conclusion of their onsite examination	75%	78%	75%	89%
Percentage of money transmitters/payment instrument issuers receiving an examination report within 90 days after the conclusion of their onsite examination	90%	38%	90%	88% ⁶
⁶ A single report was delayed beyond the 90-day timeframe due to relocation of the business and consequently, difficulty in obtaining additional information required to finalize the examination.				
Finance Licensing				
Primary Service Outcome - Percentage of license applications processed within Administrative Procedure Act requirements	100%	100%	100%	100%
Securities Regulation				
Approved Performance Measure for FY 2010-11	Approved Prior Year Standard FY 2009-2010	Prior Year Actual FY 2009-2010	Approved Standard for FY 2010-2011	2nd Quarter Result
Securities Examinations				
Primary Service Outcome - Number of examinations, investigations and enforcement cases resulting in imposition of substantial sanctions	N/A	22	40	10 ⁷
Number of active major enforcement cases	N/A	25	35	51
Number of complex securities examinations completed	N/A	41	55	32
⁷ Time to complete major enforcement cases varies greatly. Smaller matters may be resolved in six months or less, while in particularly large cases, the time will likely be measured in years rather than months. This results in significant variation in the number of substantial actions between quarters. Quarterly results may not be an accurate predictor of annual results. Management believes it will exceed last year's result.				
Securities Licensing				
Primary Service Outcome - Percentage of license applications processed within Administrative Procedure Act requirements	100%	100%	100%	100%