

**GOVERNOR RICK SCOTT**  
**MONTHLY AGENCY ACHIEVEMENT REPORT**  
**OFFICE OF FINANCIAL REGULATION**  
**FEBRUARY 2016**

**FEBRUARY ACHIEVEMENTS**

**1. Monthly Statistics**

- Division of Securities
  - Examinations Opened: 13
  - Examinations Closed: 18
  - Complaints Received: 20
  - Complaints Closed: 20
  - Applications Received: 3,899
  - Applications Approved: 3,803
  - Applications Denied/Withdrawn: 50
  
- Division of Consumer Finance
  - Examinations Opened: 31
  - Examinations Closed: 37
  - Complaints Received: 149
  - Complaints Closed: 152
  - Applications Received: 1,303
  - Applications Approved: 1,271
  - Applications Denied/Withdrawn: 63
  
- Division of Financial Institutions
  - Examinations Opened: 11
  - Examinations Closed: 12
  - Complaints Received: 66
  - Complaints Closed: 60
  - Applications Received: 14
  - Applications Approved: 9
  - Applications Denied/Withdrawn: 0
  
- Bureau of Financial Investigations
  - Investigations Opened: 3
  - Investigations Closed: 0

**2. Substantial Regulatory Actions**

Permanent Bar and \$27,500 Fine Against an Associated Person

On January 29, 2016, the Division of Securities entered a final order against Valentino Infante permanently barring him from registration with the OFR, after he failed to request a hearing. The final order follows an administrative complaint, which alleged Valentino Infante failed to observe standards of commercial honor and principles of trade by engaging in private securities transaction and outside business activities without providing prior written notice to his employing broker dealer firm. A \$27,500 administrative fine was assessed.

Final Order for \$25,000 Fine Against an Associated Person for Unregistered Activity

On February 23, 2016, the Division of Securities entered a final order against Glen Alan Berggard for engaging in unregistered investment advisory activities. A \$25,000 administrative fine was paid.

Final Order for \$13,000 Fine Against an Associated Person for Unregistered Activity

On February 24, 2016, the Division of Securities entered a final order against Kristina Metz Furnari for engaging in unregistered investment advisory activities. A \$13,000 administrative fine was paid.

### **3. Enforcement Actions**

Duo Charged in Securities Fraud in Miami-Dade

On February 22, 2016, Stephanie Lee Webster of Garland, Texas voluntarily surrendered to the Miami-Dade County Department of Corrections on charges of organized fraud, securities fraud and grand theft in connection with an elaborate investment fraud scheme involving the alleged sale of fraudulent promissory notes to at least four investors. Webster's co-defendant in the scheme, Henry Paul Regan was arrested on identical charges on February 12, 2016, at his home in Wellington, FL. Although the OFR was the sole investigative agency in this matter, detectives with the DFS Division of Insurance Fraud planned and executed Regan's arrest. The OFR's investigation of this alleged fraud scheme revealed that it operated between January 2013 and December 2013, causing investor losses of approximately \$270,000. As part of the alleged scheme, Webster and Regan maintained a virtual office on Brickell Avenue (in Miami's financial district), from which they are believed to have solicited investors through correspondence containing material misrepresentations. Investors in Millennium were led to believe that their investments were safe because the company invested in "asset-based lending companies" that secured loans through collateralizing borrower assets. Investors were falsely promised 15 percent annual returns on their investments which they were assured were secured by a Bank of America bond in the amount of \$5 million. Investors were also provided quarterly performance letters that grossly misrepresented the company's financial condition, inflating the amount of interest that the company purportedly generated from its investments. Contrary to these representations, however, the investigation revealed that Millennium never used investors' funds to invest in any asset-based lending companies and the purported Bank of America Bond was non-existent. Investor

funds were instead used for the benefit of Webster and Regan who allegedly paid themselves commissions with the money or used it for personal or unrelated business expenses. Neither the promissory notes nor Webster and Regan themselves were registered with the OFR, pursuant to Chapter 517, F.S. In a 2004 enforcement action, FINRA barred Regan from acting as a broker or otherwise associating with firms that sell securities to the public, a fact which was not disclosed to investors in the Millennium Fund. The Miami-Dade County State Attorney's Office is prosecuting the case.

#### Sarasota Man Pleads Guilty to Organized Fraud

On February 24, 2016, Russell F. Haraburda of Sarasota, pled guilty to a charge of organized fraud in connection with the sale of fraudulent "pre-initial public offering shares" of his company, Enviratrends. Haraburda claimed that Enviratrends possessed technology that could turn the cremated ashes of pets into precious gemstones and assured investors that their funds would be used to pay expenses associated with taking the company public. Based on these representations, Haraburda was able to raise more than \$3 million from over 150 investors within and outside of Florida. Contrary to those representations, however, the OFR's investigation revealed that Haraburda used a majority of investors' funds to support his lavish personal lifestyle and not towards IPO expenses. The investigation found that more than \$1.7 million of investor money was used by Haraburda for such things as an addition to a personal property, the purchase of motorcycles and pleasure travel. Previously, on August 17, 2015, the Securities and Exchange Commission filed a civil injunctive action in the Middle District of Florida against Haraburda and EnviraTrends. The action included a final judgment providing permanent injunctive relief, barring Haraburda from being associated with any offering of penny stocks and disgorgement of ill-gotten gains. The final judgment also ordered Haraburda and EnviraTrends to jointly pay more than \$2.3 million in disgorgement and prejudgment interest. The Florida Department of Law Enforcement (FDLE) assisted the OFR in the execution of a search warrant on the company in January 2015. This case was prosecuted by the Office of Statewide Prosecution.

#### **4. Communications and Outreach Activities**

On January 28, 2016, a member of the Division of Financial Institutions participated in a regulator panel discussion at the Florida Bankers Association Safety and Soundness Seminar in Miami.

On January 29, 2016, a member of the Division of Financial Institutions participated in a regulator panel discussion at the Florida Bankers Association Safety and Soundness Seminar in Tampa.

On February 2, 2016, the OFR released a consumer alert on consumer protection from financial fraud.

[Consumer Alert: Protect Yourself Against Financial Fraud](#)

On February 16-19, 2016, the Division of Consumer Finance Director Greg Oaks (NMLS Policy Committee Member) & Bureau Chief Jason Booth (Mortgage Testing & Education Board Member) attended the 2016 National Mortgage Licensing System (NMLS) User's Conference in Phoenix, Arizona. Conference sessions included a variety of topics covering consumer lending, mortgage brokering and lending, consumer debt collection and federal mortgage lending guidelines. The conference was attended by 683 attendees, including state and federal regulators and industry participants.

On February 22, 2016, the OFR issued a press release celebrating America Saves Week.

[Press Release: The Office of Financial Regulation Celebrates America Saves Week](#)

On February 23, 2016, a member of the Division of Financial Investigations presented a training seminar on financial analysis to the International Association of Law Enforcement Intelligence Analysts (IALEIA). This training was held at FDLE headquarters in Tallahassee. Over 30 analysts from various agencies attended the full-day program, including analysts from FDLE, the Department of Transportation, the Florida Highway Patrol, the Leon County Sheriff's office, the Pasco County Sheriff's Office and others. Attendees learned how to locate, obtain, organize and analyze financial records. Attendees also learned how to create tables and charts in Microsoft Excel to summarize and present their findings.

On February 25, 2016, an opinion editorial by Commissioner Drew J. Breakspear appeared in the Pensacola News Journal.

[Viewpoint: Military Saves Week](#)