

ADMINISTRATIVE PROCEEDING

File No. 3-18071

SEC Charges Investment Adviser with Overstating the Value of Two Private Funds

July 19, 2017 – The Securities and Exchange Commission today announced charges against San Diego-based investment adviser, Enviso Capital, LLC, and two of its principals, Ryan Bowers and Jeffrey LaBerge, for overstating the value of two of Enviso’s private funds, along with other regulatory violations.

According to the SEC’s order instituting administrative and cease-and-desist proceedings, Enviso served as the investment adviser to two private funds, both of which held an interest in a non-publicly traded company, Bluefin Renewable Energy, LLC (Bluefin). Between 2011 and 2014, Bluefin had only one asset – a renewable energy project under development in Tecate, Mexico. Although the Respondents were aware that Bluefin never reached certain milestones necessary to building the project, such as obtaining financing or potential customers, they used unreasonable assumptions when applying the discounted cash flow method to value Bluefin. Specifically, the Respondents unreasonably assumed that Bluefin would sell significant amounts of energy within 24 to 30 months, even though no financing for the project had been obtained, no construction had ever started, and Bluefin had no contracts with potential purchasers of energy. As a result, Respondents overvalued Bluefin in financial statements provided to the private funds’ investors

The SEC’s order finds that the Respondents willfully violated Sections 206(2) and 206(4) of the Advisers Act, and Rule 206(4)-8 thereunder. The order also finds that Enviso willfully violated, and Bowers and LaBerge caused Enviso’s violation of, Rule 206(4)-2, the custody rule. In addition, the order finds that Enviso willfully violated, and Bowers caused its violations of Section 206(4) of the Advisers Act and Rule 206(4)-7, and Enviso and Bowers willfully violated Section 207 of the Advisers Act.

Without admitting or denying the findings in the SEC’s order, all three Respondents consented to the entry of the cease-and-desist order and agreed to pay civil penalties of \$50,000 each. In addition, Enviso agreed to a censure; Bowers and LaBerge agreed to be barred from the securities industry with the right to reapply for reentry after two years; and LaBerge, a CPA, agreed to be suspended from appearing and practicing before the SEC as an accountant, which includes not participating in the financial reporting or audits of public companies. LaBerge may request that the Commission consider his reinstatement after two years.

The SEC’s investigation was conducted by Payam Danialypour, Brian Fitzpatrick, and Sara Kalin of the Enforcement Division’s Asset Management Unit with assistance from Carol Shau of the Los Angeles Regional Office. The SEC examination that led to the investigation was conducted by Eric Cheng, Cindy Eson, and Kent Woo in the Los Angeles Regional Office.

See also: [Order](#)