



## U.S. SECURITIES AND EXCHANGE COMMISSION

Litigation Release No. 18972 / November 16, 2004

***Securities and Exchange Commission v. Bradford C. Bleidt, et al., Civil Action No. 04-12415-NG (D.Mass. November 12, 2004).***

### **SEC OBTAINS TEMPORARY RESTRAINING ORDER AND ASSET FREEZE AGAINST MONEY MANAGER BRADFORD C. BLEIDT FOR DEFRAUDING CLIENTS OF MILLIONS**

The Securities and Exchange Commission announced that on November 12, 2004 it sought and obtained an asset freeze and temporary restraining order against Bradford C. Bleidt and his investment advisory firm, Allocation Plus Asset Management Co., Inc. of Boston. In the papers filed in U.S. District Court in Boston, the SEC charges that Bleidt, of Manchester, Massachusetts, defrauded his investment advisory clients of millions of dollars by leading them to believe their money was invested when in fact he was using it for himself. According to the Complaint, on or about November 11, 2004, Bleidt sent a taped confession to SEC's Boston office in which he admitted that he had "stolen tens of millions" from clients over a period of 20 years. In its Complaint, the SEC charges that Bleidt confessed that he had clients make checks payable to Allocation Plus Management Corp. and then diverted the funds into a bank account that he controlled. The SEC also alleges that in the tape Bleidt stated "the day of reckoning" came about when he no longer had enough funds to cover a client's requests for a withdrawal. "The money's gone. I stole it," Bleidt said in the recording, according to the Complaint.

In response to the SEC's emergency motion, U.S. District Court Judge Richard G. Stearns froze the assets of Bleidt and Allocation Plus Management Co. The Court also entered an order requiring, among other things, that the defendants provide a detailed accounting of their assets and of the transactions concerning the fraud described in the Complaint. The Court's order also restrains the defendants from violating certain antifraud provisions of the securities laws, specifically, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder and Sections 206(1) and (2) of the Investment Advisers Act of 1940. Among the relief the SEC is continuing to seek in its action are disgorgement of the defendants' ill-gotten gains, with such monies to be distributed in accordance with a plan to be ordered by the Court. The SEC is also seeking penalties and a permanent injunction.

<http://www.sec.gov/litigation/litreleases/lr18972.htm>