



U.S. SECURITIES AND EXCHANGE COMMISSION

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Securities and Exchange Commission v. Homestead Properties, L.P.; Homestead Limited, L.L.C.; California Wealth Management Group, d.b.a. IFC Advisory; Heath M. Biddlecome; William C. Tak, Defendants; and Homestead Northland MHC, LLC and Jackson MHC, L.L.C., Relief Defendants, United States District Court for the Central District of California, Case No. SACV 09-01331 CJC (Nov. 12, 2009).

SEC OBTAINS ASSET FREEZE OVER LIMITED PARTNERSHIP MANAGED BY CULVER CITY ADVISER

The Securities and Exchange Commission ("Commission") obtained an asset freeze and other emergency relief to halt the continuing false disclosures being made by a Culver City, Calif. investment adviser.

The Commission alleges that Heath M. Biddlecome ("Biddlecome"), through his firm California Wealth Management Group, doing business as IFC Advisory ("IFC"), operated a limited partnership investment fund, raising \$9.8 million from investors, many of whom were IFC clients.

The Commission's complaint alleges that Biddlecome established Homestead Properties, L.P. ("Homestead") to invest in mobile home park communities. The complaint further alleges that Biddlecome, without ever informing investors, changed the partnership's investment strategy to securities day trading. According to the complaint, Biddlecome transferred \$4.5 million of the partnership's moneys and began to trade options, trade on margin, and engage in short sales. The complaint alleges that this risky day trading strategy has resulted in erratic performance, alternating between six figure trading losses to profits in various months; in September and October 2009 alone, the account value declined \$1.9 million.

The Commission's complaint, which was filed in federal court in Los Angeles, alleges that the defendants falsely claimed that a brokerage firm would sell the partnership interests and an accounting firm would audit the partnership's books yearly. The complaint alleges that, in reality, Biddlecome ever enlisted these third parties to perform such services. In addition, although investors were told distributions would be made quarterly out of net profits and certain investors received distributions, Homestead suffered losses for two years. The complaint also alleges Biddlecome misappropriated partnership moneys to pay for his personal credit card bills.

On November 16, 2009, the Honorable Cormac J. Carney, United States District Judge, granted the Commission's application for a temporary restraining order against the defendants and issued orders freezing Homestead's assets and prohibiting the destruction of documents. The Judge also appointed Robb Evans & Associates LLC as the temporary receiver over Homestead. On November 25 2009, the Court will hold a hearing on the Commission's motion for a preliminary injunction and appointment of a permanent receiver.

The Commission's complaint charges defendants with violating the antifraud, securities registration and broker-dealer registration provisions of the federal securities laws, and names as relief defendants two entities controlled by Biddlecome, Homestead Northland MHC, LLC and Jackson MHC, L.L.C. The Commission alleges that the relief defendants received ill-gotten gains as a result of Biddlecome's conduct. In addition to the emergency relief, the Commission seeks preliminary and permanent injunctions, disgorgement, prejudgment interest, and financial penalties.