



*United States Attorney
Southern District of New York*

**FOR IMMEDIATE RELEASE
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**FINANCIER ARRESTED ON SECURITIES FRAUD
AND WIRE FRAUD CHARGES**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, and JOSEPH M. DEMAREST, JR., the Assistant Director-in-Charge of the Federal Bureau of Investigation's New York Field Division ("FBI"), announced today that MARK BLOOM, 57, of New York, New York, was arrested this morning by special agents of the FBI on securities fraud and wire fraud charges. According to the two-count Complaint unsealed today in Manhattan federal court:

From at least July 2001 through February 2009, MARK BLOOM defrauded investors in North Hills Fund ("NHF"), an investment partnership he managed. In a Private Placement Memorandum and in marketing materials he provided to investors, BLOOM represented that the North Hills Fund was a "fund of funds" which would invest in a diversified portfolio of hedge funds in order to lessen the risk of the stock market and achieve a return of approximately 12 percent.

Contrary to his representations to investors that North Hills Fund's assets would be diversified among hedge funds, BLOOM, starting in about February 2004, concentrated at least 50 percent of North Hills Fund's capital in a commodities trading pool known as the Philadelphia Alternative Asset Fund ("PAAF"), without disclosing NHF's investment in PAAF to North Hills Fund's investors until about July 2005.

BLOOM also failed to disclose to NHF investors that he had a "referral agreement" with PAAF's operator pursuant to which he received commissions for steering funds into PAAF and other

funds managed by its operator. BLOOM received approximately \$1.6 million in undisclosed commissions from PAAF's operator during 2004 and 2005.

Additionally, BLOOM misappropriated millions of dollars from NHF, which he used for personal expenditures, including the purchase of a luxury apartment in Manhattan. In November 2008, BLOOM admitted to certain North Hills Fund investors demanding to know what had happened to their investments that he had borrowed approximately \$10 million from the fund, which he had used to buy the apartment, among other things.

At the time BLOOM formed the North Hills Fund, he was employed at WG Trading Company, a broker dealer.

BLOOM is expected to be presented today before United States Magistrate Judge DOUGLAS F. EATON in Manhattan federal court.

BLOOM is charged with one count of securities fraud and one count of wire fraud. The securities fraud count carries a maximum sentence of 20 years in prison and a maximum fine of \$5 million, or twice the gross gain or loss from the offense. The wire fraud count carries a maximum sentence of 20 years in prison and a maximum fine of \$250,000, or twice the gross gain or loss from the offense.

Mr. DASSIN praised the investigative work of the FBI in this case, and thanked the United States Securities and Exchange Commission and the United States Commodity Futures Trading Commission for their assistance. He added that the investigation is continuing.

Assistant United States Attorneys JESSICA A. ROTH, JOHN J. O'DONNELL, and AMY LESTER are in charge of the prosecution.

The charges contained in the Complaint are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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