Release Number 7130-15

March 3, 2015

Federal Court in New York Imposes a $26 Million Civil Monetary Penalty against Mark Evan Bloom and his Company, North Hills Management, LLC, for Commodity Pool Fraud

Bloom pleaded guilty in a parallel criminal proceeding and is currently awaiting sentencing

Washington, DC – The U.S. Commodity Futures Trading Commission (CFTC) today announced that Judge John G. Koeltl of the U.S. District Court for the Southern District of New York entered a Supplemental Consent Order requiring Defendants **Mark Evan Bloom** of Monmouth Beach, New Jersey, and his firm **North Hills Management, LLC** (NHM) jointly to pay a $26 million civil monetary penalty for operating a fraudulent commodity pool called **North Hills LP** (North Hills) and misappropriating customer funds (see CFTC Press Release and Complaint 5622-09, February 25, 2009). The Supplemental Consent Order resolves the CFTC's case in its entirety.

Previously, on June 11, 2010, the court entered a Consent Order of permanent injunction against the Defendants (see the Consent Order under Related Links). In the Consent Order, the court found that Bloom and NHM misappropriated approximately $13 million from North Hills, which they operated from at least 2002 until February 2009. During this period, Bloom maintained a lavish lifestyle, including purchasing a luxury apartment in Manhattan for over $5 million. The Consent Order also found that Bloom and NHM concealed their misappropriation and made several other misrepresentations and material omissions to pool participants. For example, they failed to disclose that pool participants' assets were invested contrary to their stated investment strategy, and they issued false statements concerning the nature and status of North Hills and participants' interests in it. The Consent Order imposed a permanent injunction and permanent trading, solicitation, and registration bans against the Defendants.

In February 2009, Bloom was charged in a parallel criminal proceeding based on allegations that are similar to those in the CFTC's Complaint (see *United States v. Bloom*, 1:09-cr-367-JGK (S.D.N.Y.)). On July 30, 2009, Bloom pleaded guilty to the charges and is currently awaiting sentencing. The plea agreement in Bloom's criminal case requires him to pay restitution to investors in an amount to be determined by the court. For this reason, the Supplemental Consent Order in the CFTC's case does not mandate restitution.

The CFTC appreciates the assistance of the Office of the U.S. Attorney for the Southern District of New York and the Securities and Exchange Commission.

CFTC Division of Enforcement staff members responsible for this case are Glenn Chernigoff, Kara Mucha, Alison Wilson, Rick Glaser, and Gretchen L. Lowe.

* * * * * *

CFTC's Commodity Pool Fraud Advisory

The CFTC has issued several customer protection Fraud Advisories that provide the warning signs of fraud, including the Commodity Pool Fraud Advisory, which warns customers about a type of fraud that involves individuals and firms, often unregistered, offering investments in commodity pools.

Customers can report suspicious activities or information, such as possible violations of commodity trading laws, to the CFTC Division of Enforcement via a Toll-Free Hotline 866-FON-CFTC (866-366-2382) or file a tip or complaint online.

Media Contact
Dennis Holden
202-418-5088

Last Updated: March 3, 2015