

Name: Alert ID: TMML2024036825548 A former Commonwealth Financial Network advisor allegedly steered millions of dollars from clients to himself over 20 years of deception in a practice near the firm's headquarters. Gerald A. Eaton forged signatures, made false representations to Commonwealth and insurance companies and even used an account under his wife's first name and a fake last name to steal \$3.7 million from at least 15 clients, according to the Massachusetts U.S. Attorney's office. Eaton, 51, pleaded guilty to three felony fraud charges on Sept. 30. Eaton "liquidated securities, as well as insurance policies, annuities and other insurance vehicles in client accounts, for the purpose of misappropriating the proceeds to his own personal use," such as credit card payments and a home equity line of credit, according to the federal criminal information document filed by prosecutors. "Each such sale was deceptive," the document continues, "because it was neither authorized by, nor disclosed to, Eaton's clients, was not for their benefit, and was done with the intention of converting the money to Eaton's own use." Eaton's attorneys didn't respond to a request for comment on the allegations. In a Sept. 1 letter to his lawyers, federal prosecutors stated that Eaton's offense level for sentencing purposes will be lower because he "accepted responsibility" for his crimes. Commonwealth terminated him in October 2019 after nearly 25 years with the firm due to allegations of forgery and "wrongful taking of property," according to FINRA BrokerCheck. Commonwealth says that upon learning of the conduct, the firm fired Eaton immediately, alerted the U.S. Attorney's office and worked closely with investigators in the case. "Justice was served when Mr. Eaton admitted to his immoral and criminal behavior in court and pleaded guilty to the charges," CEO Wayne Bloom said in a statement. "Commonwealth stands firm in its belief that financial advisors should be held to a high standard of trust, and will continually work to protect investor assets." Eaton's Boston-area practice, Heritage Financial Group, was located in Acton, Massachusetts, which is roughly a half-hour drive to Commonwealth's headquarters in Waltham. He earned a CFP certification and had built the practice to roughly 200 clients after nearly three decades in the industry, according to the charging document. The long-running scheme often victimized seniors or clients in poor mental or physical health, investigators say. In one example alleged in the criminal information document, Eaton transferred an annuity worth \$68,000 to an account in his wife's name by forging her signature and that of the victim, an elderly man, while falsely representing to the issuer that she was the client's granddaughter. He also transferred an elderly woman's \$550,000 investment account to one he set up under the made-up name of "Gaton," according to investigators. To do so, he simply represented the incoming shares as a gift from the victim, investigators say. Eaton pleaded guilty last month to wire fraud, mail fraud and aggravated identity theft. The SEC barred Eaton last month and FINRA barred him in November 2019 after his termination from Commonwealth. In the letter to Eaton's attorneys, federal prosecutors wrote that the "loss attributable to identifiable victims" is \$3.78 million but that additional theft that isn't attributable to specific victims would likely push the total above \$6 million. The guilty plea requires Eaton to pay restitution to the known victims, and authorities will create a listing of them ahead of Eaton's Jan. 26 sentencing hearing. He'll also have to forfeit assets if he can't pay the victims, according to the court documents.