

BLOOMBERG NEWS 9/12/03

Miami Investment Adviser Pleads Guilty to Fraud (Update1)

(Adds sentencing information in the last paragraph.)

Sept. 11 (Bloomberg) -- A former Miami investment adviser pleaded guilty to securities fraud yesterday after he was accused of targeting black investors and swindling them out of as much as \$27.3 million.

Anthony Blissett, former chief executive officer of A.B. Financing and Investments Inc., pleaded guilty to one count of conspiracy to commit securities fraud before U.S. District Court Judge Federico A. Moreno. His illegal activities focused on luring money from blacks with little investment experience, the Securities and Exchange Commission said.

Blissett raised \$51.9 million from about 2,000 investors from 1989 and 2002 and guaranteed returns of at least 30 percent a year, according to the SEC, which charged him with civil securities fraud. He told investors the money would go toward a successful company with more than \$36 million in assets when it had a "negative net worth of more than \$27 million," the SEC said.

Blissett misappropriated investors' money and used it to make payments to others while fraudulently claiming the investment was insured and involved no risk, the SEC said. He told black investors that the products he sold were only available to "whites and select African-Americans," the commission stated in its complaint.

"Throughout this case, Mr. Blissett has provided his full cooperation to the authorities in an effort to maximize the return of assets to investors," said David Chase, an attorney for Blissett. "He will continue to do so." Chase said he does not know how much money has been returned to investors.

As part of a settlement with the SEC, Blissett agreed to be barred from working as an investment adviser and did not admit nor deny the civil charges. His sentencing is set for Nov. 25.

Blissett faces up to five years in prison and up to three years of supervised release, in addition to a fine of \$250,000 or twice what he gained or lost from the fraud, according to the U.S. Attorney's office in Miami. Statutes also require Blissett to pay restitution to his victims.

--Amy Strahan Butler in the Washington newsroom, (202) 624-1835 or astrahan@Bloomberg.net. Editor: Mirabella.

Story illustration: For news on the SEC and information on current rulemakings and administrative orders using a selection of Bloomberg Professional functions, type or click: