

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 64500 / May 16, 2011

INVESTMENT ADVISERS ACT OF 1940
Release No. 3205 / May 16, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14387

In the Matter of

HEATH M. BIDDLECOME,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Heath M. Biddlecome (“Biddlecome” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Heath M. Biddlecome was the founder and president of California Wealth Management Group, d.b.a. IFC Advisory ("IFC Advisory"), an investment adviser registered with the Commission from June 2005 to November 2010. From November 2004 through March 2009, Biddlecome was also a registered representative associated with Purshe Kaplan Sterling Investments, a registered broker-dealer. Biddlecome, age 41, is a resident of Carpinteria, California.

2. On May 5, 2011, a final judgment was entered by consent against Biddlecome, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933, Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, Sections 206(1), 206(2), and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, and aiding and abetting violations of Section 204 of the Advisers Act, in the civil action entitled SEC v. Homestead Properties, L.P., et al., Civil Action Number SACV09-01331, in the United States District Court for the Central District of California, Southern Division.

3. The Commission's first amended complaint ("complaint") alleged that from June 2007 to at least November 2009, Biddlecome managed an investment fund, Homestead Properties, L.P. ("Homestead"), that raised over \$9.8 million from 36 investors, including advisory clients and at least 33 investors who were between 60 and 97 years old at the time they invested. The complaint alleged that Homestead's private placement memorandum and partnership agreement (collectively, "offering materials") stated that Homestead would use investors' money for real property investments, specifically mobile home park communities. However, according to the complaint, in October 2008, Biddlecome transferred \$4.5 million of investor funds into a brokerage account held in Homestead's name, and, immediately thereafter, Biddlecome engaged in speculative short term trading with the Homestead funds. The complaint further alleged that Biddlecome failed to inform investors that he had shifted investor funds into a brokerage account and engaged in a speculative short term trading strategy, and Homestead's offering materials do not give it the right to invest in anything other than real estate. The complaint also alleged that Biddlecome misrepresented that Homestead would engage an accounting firm to audit Homestead's books on a yearly basis, that Homestead would use a registered broker-dealer to sell interests in Homestead to investors, and that the source of investor distributions would originate or relate in some way to Homestead's accrued net profits. Instead, Homestead did not engage an auditing firm until two years after the offering began and no audit was ever completed, and Homestead did not sell interests through a broker-dealer and thus had no oversight or supervision of the offering from a broker-dealer. Homestead also had no accrued net profits, and thus paid investor distributions with money from investors' capital contributions. Lastly, the complaint alleged that Biddlecome sold unregistered securities, was not associated with a registered broker-dealer for purposes of selling the Homestead offering, and failed to produce certain requested records to the Commission's examination staff.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Biddlecome's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act, that Respondent Biddlecome be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, and from participating in any offering of penny stock, with the right to reapply for association after three years to the appropriate self-regulatory organization, or if there is none, to the Commission.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Elizabeth M. Murphy
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions ("Order"), on the Respondent and his legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
Chief Administrative Law Judge
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