

PONZI NATION, MONDAY EDITION

Another day another Ponzi scheme broken up by the SEC.

The Securities and Exchange Commission has charged a Philadelphia-area investment adviser and its principal with misappropriating millions of dollars in client assets, and obtained an emergency court order freezing their assets.

The SEC alleges that through a commingled brokerage account, Donald Anthony Walker Young of Coatesville, Pa., and Acorn Capital Management, LLC misappropriated more than \$23 million from investors buying limited partnership interests in Acorn II LP, which invested in publicly traded securities. Young used investor funds to pay other investors in the nature of a Ponzi scheme, and directly stole some of the money to purchase a vacation home in Palm Beach, Fla., and pay personal expenses related to horse ownership and racing, construction, boats, limousines, chartered aircraft and other luxuries.

Even with the two bank failures on Friday, Ponzi nation still appears to be leading Bank Failure nation this year (though I'm still working on guidelines for the definitive comparison).