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PRESS RELEASE

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FLORIDA HEDGE FUND SANCTIONED BY SECURITIES COMMISSIONER

Denver, Colorado --- Colorado Securities Commissioner Fred J. Joseph announced today that he has entered a final cease and desist order against a Florida hedge fund for allegedly violating the securities registration, licensing, and anti-fraud provisions of the Colorado Securities Act (“Act”) in connection with the offer of securities in and from Colorado.

Named in the Order are **The Black Diamond Fund, LLLP**, a Minnesota limited liability partnership operating out of Florida, its general manager, **Wealth Strategy Partners**, and **Harvey Altholtz**, both of Sarasota, Florida. Mr. Altholtz directs and controls both The Black Diamond Fund and Wealth Strategy Partners from offices in Sarasota, Florida.

The Commissioner issued a Final Cease and Desist Order against The Black Diamond Fund for registration, licensing, and anti-fraud violations of the Colorado Securities Act, and against Wealth Strategy Partners and Mr. Altholtz for registration and antifraud violations. The matter was heard before the Colorado Securities Board (the “Board”) at a show cause hearing. The Board, in its initial decision, recommended that the cease and desist order be issued.

The Board found that Black Diamond was attempting to conduct an offering of up to \$10 million by offering partnership interests in Black Diamond. The interests were offered through persons described as "finders" who were paid commissions for their sales of these interests. Mr. Altholtz, who is a former dentist, used at least five finders in Colorado, including William Alan Gay. The Board found that Mr. Gay, who is currently subject to a court order prohibiting him from engaging in any securities activities in Colorado, conducted "free lunch" or "free dinner" seminars where the invitees were provided investment opportunities, including investing in the Black Diamond Fund. Mr. Altholtz attended some of these seminars. Mr. Gay is currently subject to a Contempt of Court proceeding in Denver District Court for allegedly violating the terms of the court injunction for offering and selling these securities in Colorado.

Also, the Board found that The Black Diamond Fund, Wealth Strategy Partners, and Mr. Altholtz offered and sold securities in Colorado without registering the securities or seeking an exemption from registration. In addition, the Board found that Black Diamond hired a sales agent, Mr. Gay, who was not properly licensed to sell securities. The Board also found that The Black Diamond Fund, Wealth Strategy Partners and Mr. Altholtz violated the anti-fraud provisions by failing to disclose to investors Mr. Gay's current licensure status.

The Final Cease and Desist Order orders all three Respondents to immediately cease and desist offering or selling any security in or from the State of Colorado in violation of the anti-fraud, registration and licensing provisions of the Act or otherwise engaging in conduct in violation of any provision of the Act.

DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.

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