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Judge denies privacy for man connected to Nadel

By [John Hielscher](#)

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Sarasota newsletter publisher Donald Rowe holds "significant importance" to the Nadel-Moody hedge funds case and should not receive a protective order to keep private his tax returns, a court-appointed receiver maintains.

Rowe "single-handedly" steered many investors to the hedge funds, pocketing substantial commissions and other payments, according to receiver Burton Wiand.



Rowe

A federal judge on Friday denied Rowe's bid for a protective order, saying his privacy would be covered by court rules and by the receiver's own procedures for handling sensitive information.

Wiand has subpoenaed Rowe's tax records, among other documents, in his pursuit of assets that can be seized and sold to pay investors who lost money in the now-worthless funds.

Rowe's Sarasota-based newsletter, The Wall Street Digest, strongly endorsed the supposedly \$400 million hedge funds run by Arthur Nadel and Neil and Christopher Moody.

Earlier this month, Rowe's attorney filed in federal court for a protective order to restrict the tax returns from public release.

Rowe does not oppose turning over the records to Wiand, his attorney said, but he wants the court to keep them confidential.

Wiand scoffed at Rowe's claim that he was merely an investor in the funds who "at times included references" to the funds in his newsletter.

"Aside from being an investor (along with his wife) who enjoyed significant false profits, Rowe was single-handedly responsible for directing a very large number of investors to Nadel's scheme, and he reaped significant commissions and other compensation from receivership entities for those efforts," Wiand said.

False profits represent returns to clients that exceed their actual investments.

No one has stated how much money Rowe allegedly received from the hedge fund operation. But in other court filings, Wiand, who is handling the U.S. Securities and Exchange Commission's case against Nadel, says at least four people were paid \$7.6 million for enticing investors into the funds.

Wiand says the tax returns are important because Rowe claims he does not possess any other documents, such as bank statements, that reveal how much money he made from the Nadel-Moody funds.

A protective order is unnecessary, Wiand said, because he generally does not publicly disclose such information as tax records.

Rowe also can sign a confidentiality agreement with the receiver, Wiand said.

U.S. District Judge Richard Lazzara agreed, saying Rowe's privacy concerns should be met by federal court rules on protection and by Wiand's not disclosing the information.

Rowe also has been sued for more than \$5 million by a group of Nadel-Moody investors who contend he failed to adequately check out the hedge funds before proclaiming them "America's top-ranked money manager."

They also claim that Rowe engaged in the sale of unregistered securities.

The receivership in August filed a professional malpractice suit against prominent law firm Holland & Knight, which represented the funds from 2002 through 2008.

In that suit, it was alleged that Rowe received improper compensation to tout the funds to clients.

Rowe's attorney has said any of the publisher's comments about the funds were made in good faith, and that he did not sell or offer any securities.

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Sarasota investment newsletter publisher wants tax returns kept private

By JOHN HIELSCHER

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Sarasota investment newsletter publisher Donald Rowe, who has been ensnared in the Nadel-Moody hedge funds scandal, is asking a federal judge to keep his tax returns private.

A court-appointed receiver has subpoenaed Rowe's tax records, among other documents, in his pursuit of assets that can be seized and sold to repay investors.

Rowe's newsletter, The Wall Street Digest, strongly endorsed the now-collapsed hedge funds run by Arthur Nadel and Neil and Christopher Moody.

A separate civil lawsuit claims Rowe received illegal payments to promote and sell the hedge funds to investors.

Rowe is not fighting turning over the tax returns, attorney Edward Savitz said in a Monday court filing. But he wants the court to order those returns sealed and out of the public eye.

The returns "include sensitive financial information of a personal and private nature relating to Mr. Rowe and Mr. Rowe's wife," Savitz said.

Rowe is not a party to the U.S. Securities and Exchange Commission's lawsuit against Nadel and Scoop Management Inc.

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