



[Print](#) | [Close this window](#)

## Indicted U.S. fund manager Nadel pleads not guilty

---

Thu Apr 30, 2009 4:00pm EDT

By [Grant McCool](#)

NEW YORK (Reuters) - A jailed Florida hedge fund manager pleaded not guilty on Thursday to an indictment of running a \$360 million investment fraud and his lawyer asked a judge to ease the conditions for him to make bail.

Prosecutors say Arthur Nadel, 76, went on the run for two weeks in January before his arrest on initial charges, but his lawyer said he is in poor health and not a flight risk.

Nadel's funds, one of several purported swindles that unraveled in the financial industry meltdown and after the high-profile Bernard Madoff scandal, enriched him and defrauded 350 clients who invested more than \$360 million, the government said.

Judge John Koeltl in U.S. District Court in Manhattan heard Nadel plead not guilty to 15 charges in an indictment filed on Tuesday, including securities, mail and wire fraud.

If found guilty, Nadel will spend the rest of his life in prison. Each charge carries a maximum sentence of 20 years imprisonment.

Properties in Florida, North Carolina and Georgia and an aircraft company in Georgia are among the assets the government wants Nadel to forfeit.

The judge scheduled a hearing for June 4 to hear arguments over the previously set conditions of \$5 million bail, which Nadel has been unable to meet.

"We are going to be addressing his health conditions and disputing the government's contention that he is a risk of flight," said Nadel's lawyer Mark Gombiner.

Prosecutors said in court papers that the Sarasota, Florida based Nadel created false and fraudulent client account statements, bilking investors over the last 10 years. His case was being heard in New York because he traded through a brokerage in the city.

The case is USA v Nadel 09-mj-00169 U.S. District Court for the Southern District of New York (Manhattan)

(Reporting by Grant McCool; Editing by Richard Chang)

© Thomson Reuters 2009. All rights reserved. Users may download and print extracts of content from this website for their own personal and non-commercial use only. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is expressly prohibited without the prior written consent of Thomson Reuters. Thomson Reuters and its logo are registered trademarks or trademarks of the Thomson Reuters group of companies around the world.

Thomson Reuters journalists are subject to an Editorial Handbook which requires fair presentation and disclosure of relevant interests.