



TAMPA BAY BANKRUPTCY CENTER, P.A.

PHONE: (813) 200-4133

TOLL FREE: (800) 965-5074

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Angry Investors Meet Bankrupt Walter Ng

A federal bankruptcy court in Oakland, California became the venue where a crowd of angry investors went to confront the man they said caused them to lose millions of dollars of their savings. About 3,000 of them gathered, spilling into the hallway of the bankruptcy court. In total, they lost about \$750 million. The man who was the center of their attention was Walter Ng. The investors have taken up lawsuits against him for the losses suffered.

Walter Ng, who with his two sons and partner Bruce Horwitz, ran several investment funds that went awry and are now in default. One by one the investors into these funds arrived at the courthouse, most were very visibly irate. One of them, John McGuire said, "I would just ask him be honest, tell the truth. I think that's what people want is the truth." Another investor, Julian Potashnick said he lost "a little over \$3 million".

According to bankruptcy court papers, Ng estimates his assets and liabilities both between \$500 million and \$1 billion. Ng claimed that he filed for bankruptcy because "certain investors... have commenced or threatened to commence legal action against me based on losses," and because he wants to "ensure an orderly process for the resolution and payment of the claims of investors."

However on Tuesday, when the bankruptcy judge asked Ng and his bankruptcy lawyer some questions about his investment business, Ng's criminal defense attorney declined to answer claiming that to answer the questions would be prejudicial to the ongoing investigation by the FBI, the SEC and the Department of Labor. Ng refused to answer

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questions to avoid self-incrimination.

This response aroused suspicions among Ng's accusers. Richard Brown, attorney for the class action lawsuit said, "I don't think you take the 5th Amendment unless you got something to hide. There's something going on there. We've alleged fraud and mismanagement, breach of fiduciary duty, and clearly he's been told by his lawyers to shut up."

The disgruntled investors have filed a class action lawsuit against Ng, charging him and his partners with embezzlement, violating federal securities laws and lying to investors.

Sadly for those who have lost money in this debacle, Ng and his lawyers refused to answer any questions on the way out, leaving investors dealing with the loss of their life savings frustrated and angry.