

# Money Manger Boasted Profits While Hiding Losses

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Investors should always be wary of [investment claims that seem to good to be true](#). The Securities and Exchange Commission recently charged an asset manager who boasted remarkable profits even in the face of the Bernie Madoff scandal.

In reality, Nikolai Battou's statements were intended to hide major losses. Instead of coming clean with investors, however, he continued to overstate the value of his investments and his ability to make money.

According to the [SEC](#), by touting benchmark-beating returns, Battou has continued to attract new investors. According to court papers, Battou boasted that he could "significantly reduce market losses when nearly everyone else is losing 35 to 50 (percent)," and turn profits in 2008 despite that year's financial crisis and uncovering of Madoff's fraud. When the scheme began to unravel, Battou used the bankruptcy of commodities broker MF Global as an excuse not to meet investor redemptions.

"Battou attracted quite a following of investors by proclaiming his investments withstood the test of the financial crisis," SEC enforcement chief Robert Khuzami said in a statement. "Reality seems to have finally caught up with him."

## About Debra Speyer

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