

# Court Removes Liquidators of Failed Bear Funds

Counsel for investors says KPMG was “handpicked and paid by Bear.”

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By Yael Bizouati

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**IDDmagazine.com** - A Cayman Islands court replaced liquidators appointed in July at Bear Stearns' request to run the offshore-based version of the Bear Stearns High-Grade Structured Credit and Enhanced Leverage funds, replacing them with investor-supported liquidators.

Bear Stearns declined to comment. Calls to the counsel for the previous liquidator in the Cayman Islands, KPMG, were not returned.

**The funds filed liquidation proceedings in the Cayman Islands on July 31, 2007. KPMG was “handpicked and paid by Bear Stearns,” says Boyd Page, a partner specializing in investment fraud with Atlanta-based firm Page Perry, which is part of a consortium of law firms -- Aidikoff, Maddox, Hargett & Caruso, David P. Meyer & Associates and Uhl & Bakhtiari -- that are representing investors in the Bear funds and filed claims with the NASD arbitration tribunal.**

**The liquidators' replacement is an unusual move, says Page, but one that is justified given the conflicts of interests. Page says he is pleased by the court's decision, as it will “help everybody to have an independent investigation of conduct that resulted in the loss \$1.6 billion of investor money.”**