

This article may have been modified slightly from its original Publishing on Seeking Alpha. This article and all of the authors articles taken together is not intended to state that fraud has or has not occurred. The author, Dan Plettner ("ClosedEnd" on Twitter, <http://home.fuse.net/plettnercef/>) believes himself to specializes in investigative analysis of Closed-End Funds. Dan Plettner is an MBA from New York University. Dan Plettner has disclosed a long position in Boulder Growth and Income Fund (BIF), and has no other positions in the other securities discussed.

Stewart Horejsi, John S. Horejsi, Susan L. Ciciora, Joel W. Looney, Dr. Dean L. Jacobson, Richard I. Barr, Boulder Investment Advisers LLC, Rocky Mountain Advisers, Stewart Investment Advisers, and Alaska Trust Company were discussed in Dan Plettner's articles pertaining to several publicly traded Closed-End Funds: Boulder Growth and Income Fund (BIF), Boulder Total Return Fund (BTF), The Denali Fund (DNY), First Opportunity Fund (FF), DWS RREEF Real Estate Fund I (SRQ), and DWS RREEF Real Estate Fund II (SRO).

On May 10th 2009, another Seeking Alpha author (Joe Ecqome) published "Insider Buying at BIF: Manipulation or Hallucination?" which evaluated Dan Plettner's articles and began:

*"Dan Plettner has been blogging in great detail regarding his contention that Boulder Growth & Income Fund's (BIF) incestuous relationship of BIF's advisor and its control shareholder ("EHT") have acted in concert for its own collective economic interest to the detriment of fellow shareholders. I thought his case had merit and I wanted to explore his contentions to see if it could be empirically demonstrated. Conclusion: The actions of the advisor and the control shareholder appear on the face of it to be concerted..."*

On June 18th 2009, each of the articles was removed from Seeking Alpha where they had previously been publicly accessible. Editor-in-Chief Nick Weinstein issued a clarification explaining:

*"When contributing SA authors make claims of outright criminal fraud in the management of publicly-traded companies or fund providers, we generally should not publish the article. In any given case, the author's claims may or may not be accurate, but it's simply beyond the capacity of our editorial team to research the claims in the manner necessary before we could responsibly publish it... We therefore believe that claims of corporate fraud are best handled by regulators and law enforcement officials first... We recently published a series of articles by an author, Dan Plettner, who made claims of mismanagement at Boulder Investment Advisers, LLC... At the time of submission, our staff editor felt that Plettner's position did not cross over into claims of outright fraud at BIA, and published his articles... We received a letter this week from BIA (Boulder Investment Advisers) that encouraged us to revisit the matter. Upon further review, we now believe that Plettner's articles can reasonably be understood as making claims of criminal fraud at BIA. We have decided, therefore, to remove the articles from the site while Plettner pursues the matter through law enforcement channels... we receive more and more article disputes from both our readership base and corporations... Most disputes concern claims of fact on SA (Seeking Alpha). We spend a great deal of time assessing these disputes and working with authors to resolve them. We consider this post-publication fact-checking a core activity of our editorial team and a unique (and essential) aspect of the SA editorial model. The Plettner/BIA case was unusual because it was less about claims of fact and more about claims of fraud. It's the first time I can recall we removed an article on this basis post-publication."*

## **Boulder Growth and Income Fund: An Ethical Board Would Restore Shareholder Value**

After 1) meeting the Board of Directors, 2) meeting the fund's manager, and 3) generally observing the company's culture last Friday I first wrote about BIF and its sister fund BTF on April 28th. That article, and a very interesting dialogue with readers was available on Seeking Alpha as "What's Bad for Boulder is Good for Shareholders"

BIF's most recent SEC Form N-Q now demonstrates the entire portfolio of BIF as of February 28, 2009. The transparency regarding the portfolio of BIF as of February 28th confirms that the current board has had, and continues to have both 1) the resources, and 2) the fiduciary duty to all shareholders (not just insiders) to at minimum transact a large tender restoring shareholder value. It is the most obvious and glaring ethical requirement that any closed-end fund's board of directors has ever had the opportunity to transact, in my view. I realize that is a big statement. I believe it. This Board's fiduciary duty is magnified based on their need to prove that they are not acting to further the agenda of Horejsi and those directors who have benefitted personally at shareholders expense.

The following information may help shareholders construct their own opinions as to what has motivated and continues to motivate manager Stewart Horejsi, and the Board of Directors (John S. Horejsi, Susan L. Ciciora, Joel W. Looney, Richard I. Barr and Dr. Dean L. Jacobson). First, I will cover the detail as to BIFs resources for creating shareholder value and BTFs lack thereof. Second, I will share some of my findings that have left me unable to support the Board of Directors of BIF until they take clear action to demonstrate an understanding of their fiduciary duty to shareholders – not just insiders.

83.74% of BIFs \$153,776,073 in Total Net Assets are available to Common Stock. In contrast the ratio for BTF is only 60.39%. The comparison is made to BTF because insiders own 40% of BTF. After reading the paragraphs that follow, you may come to question whether the Board's failures thus far to create value for BIF holders are intended to obscure investor awareness of the constraints BTF is under.

33% of BIF's portfolio is in Short Term Investments (US Government Debt and Money Market). This figure does NOT include the AMPs on the asset side of BIFs balance sheet (they are treated as long term). Only 6.3% of BTF is in Short Term Investments. These facts are important for 2 reasons:

- 1) The 33% portfolio allocation to Domestic Government Debt and Money Market are both earning dramatically lower rates than BIFs cost of leverage. Meanwhile these holdings (rather than a tender of their equivalent value) keep the size of BIFs portfolio as large as possible for all those who benefit from assets under management based fees – yes, the manager, and 2 Directors.

2) There have been readily liquid holdings under-earning the funds expense ratio at a time when the fund has been trading at a tremendous discount to Net Asset Value. A qualified Board of Directors certainly should use at least these funds to conduct a tender offer IF acting in the interests of all shareholders. BIF has conducted 2 rights offerings when the fund was trading at a premium to NAV since 2007. How can any board ethically justify not restoring shareholder value by again re-calibrating supply and demand, this time with a tender offer while the fund is sitting on 33% of assets that are clearly under earning the funds expense ratio.

Regarding Tax Consequences, BIF has a net unrealized loss of \$18,006,502 in contrast to an unrealized net gain of \$9,858,668 in the BTF portfolio. There would be no tax consequences on the BIF portfolio to any efforts to restore shareholder value: liquidation, open-ending, or a tender offer

If BIFs board fails to promptly perform a large tender offer, open-ending, or fund liquidation they are acting only in the interest of Stewart R. Horejsi (the fund manager) who is personally making money while the fund uses AMPs to borrow at a higher rate (maximizing portfolio size), and invests 33% of the portfolio in short term government securities and money market at a return below the fund's expense ratio. The only shareholders who can possibly benefit from the design of this 33% of the portfolio is Stewart R. Horejsi, employees of Boulder, and members of the Horejsi family (including 2 Board Members)

Are you questioning the recent motives of Boulder and the Board of Directors? Read the detail of the press releases dated November 11th when both BIF and BTF suspended their distribution policies. The president of both funds, Steve Miller, noted the so called rationale for both funds in the separate releases. The first point he made in the release for BTF was: "The Policy and the decline in the Fund's net assets have adversely impacted the Fund's rating agencies' leverage coverage ratios." The BIF press release does provides lip service for other rationale but the same point (which I certainly perceive as legitimate regarding BTF) was not made in like fashion (as the first point) in the release for BIF. Consider this: Insiders own 40% of BTF. Are you suspicious that another reason we haven't yet seen any effort to restore shareholder value at BIF is that insiders do not want to make BTFs inability to do the same apparent?

Stewart Horejsi (as a spokesperson for the Susan L. Ciciora Trust) is now pointing out SRQ and SRO's lack of distributions as "other disconcerting news" in appealing to SRQ and SRO's shareholders to elect several of the Horejsi Group Directors to their Boards. While gross, this is not the only example of recent hypocrite behavior from the Horejsi Group. The Horejsi Group's Funds have been among the slowest to redeem now illiquid Auction Rate Preferreds ("ARPs") but DNY nominated Richard I. Barr to be elected by preferred shareholders as a Board Member of TS&W/Claymore Tax-Advantaged Balanced Fund (TYW) in what at least one sophisticated industry observer has perceived a possible warning to TYW to redeem its remaining ARPs. It should be no surprise

that The Susan L. Ciciora Trust is proposing to declassify the SRQ and SRO Boards, while the same Directors they are Nominating recently recommended to the current shareholders of the the Boulder Funds to classify, or stagger their own Boards.

I do not wish to tell other shareholders what they should think. I do wish for other shareholders to pay attention to what this Board of Directors, Horejsi, and Boulder has been doing (and not doing). Personally, I'm a forgiving soul and if this current Board promptly begins to act in a fiduciary duty to all shareholders (not just insider shareholders), I intend to own shares on an ongoing basis. In contrast, if they do not, I eagerly await the opportunity to elect a board who will represent shareholders with fiduciary responsibility.

Do you want to give this board the benefit of the doubt and hope that they care what you think? Shareholders who wish to write the board can do so at the address below, or can fax them at 303-245-0420

Boulder Growth and Income Fund Board of Directors  
c/o Boulder Investment Advisors, LLC  
2344 Spruce Street, Suite A  
Boulder, Colorado 80302

Please know the background of this board. John S. Horejsi and Susan L. Ciciora are members of Stewart Horejsi's family and are defined as "Interested Directors". They have beneficial ownership in both of the funds Private Investment Advisor Companies and its Private Shareholder Services Company. They benefit personally from assets under management... not just from BIF or BTF going up... from BIF and BTF having larger portfolios to invest.

Joel W. Looney, Dr. Dean L. Jacobson, and Richard I. Barr are defined under BIF's prospectus as "Independent Directors". In evaluating their positions of interest it is worth noting that Mr Joel W. Looney served (without compensation) from the late 80s until January 2001 as one of three trustees of the Mildred Horejsi Trust. As shareholders we may each form our own opinions based on the evidence we see of what the Board is doing. When I met Joel W. Looney, I gave him the benefit of the doubt. Currently, I'm reconsidering.