

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."*

## Insider Manipulation Unwinds Like Leverage Part II

In Part I, I shared my relevant professional background, briefly introduced you to a portfolio manager (Stewart J Horejsi), current Co-Adviser Companies (Boulder Investment Advisers, Stewart Investment Advisers), and current Board Members (John S Horejsi, Susan L Ciciora, Joel W Looney, Dean L Jacobson, Ricard I Barr). I flew across the country to actually meet these people on April 24th..

I have already shared with you my thesis:

*“the unwinding of what I perceive as insider manipulation will cause BIF shares to perform very positively, with negative consequences to the shares of DNY, FF, and especially BTF.”*

Now I take you in a time machine to the era before Bernie Madoff's actions were exposed. Intelligent readers are encouraged to exercise their new wisdom in evaluating SEC filings regarding "Horejsi Affiliates", Boulder Investment Advisers ("BIA"), Stewart Investment Advisers ("SIA"), and Board Members (including Horejsi family members with beneficial interests in BIA and SIA).

No, I am not suggesting that Stewart J Horejsi is as bad as Bernie Madoff. I am confident the assets are real, particularly considering that SEC filings since April 30th have demonstrated a Horejsi family trust (ERNEST HOREJSI TRUST NO 1B) to be aggressively acquiring shares of BIF. Rather, I am suggesting that individual investors (self included) have grown to be more alert in assessing all the intentions and ethics of asset managers, asset management companies, and insiders thereof.

Thus, I travel back in a time machine into the pre-Madoff era to analyze old SEC filings with a the discriminating eye of the new era.

It is easy to understand why Stewart J Horejsi and his family has long achieved the benefit of every doubt. I just “googled” Stewart Horejsi. The two top links were both from the website of Phoenix Business Journal (Incidentally, the Annual Shareholders meeting and Board Meeting were in Phoenix). One link invites registrants to the 'Learn from an Expert - Stewart Horejsi Seminar', referring to Horejsi as a both a “*Nationally Recognized Expert in Financial Strategy*”, and even “*A Personal Friend of Warren Buffett*”.

Lets look into SEC filings of Boulder Growth and Income Fund, Boulder Total Return Fund, and Denali Fund and ask ourselves: "should we have feared the possibility that investing in these Horejsi-related Registered Investment Companies could potentially leave our nest-eggs open to the possible effects of insider manipulation?"

I am not stating that such manipulation has factually occurred. I personally have

grown increasingly skeptical of the recent actions taken (and not taken) by the Horejsi-related entities, the Co-Advisers, and Board Members (including Horejsi family members with beneficial interests in BIA and SIA). Read the rest of this article and come to your own conclusions by relying on actual SEC filings.

Boulder Growth and Income Fund SEC Filing Form 497, dated May 20, 2008, discloses several facts:

First, lets also observe what we can regarding the Co-Advisors:

*The Fund is co-advised by Boulder Investment Advisers, LLC ("BIA") and Stewart West Indies Trading Company, Ltd. d/b/a Stewart Investment Advisers ("SIA") (collectively, the "Advisers"). The Advisers have been providing advisory services to the Fund since January 2002, to the Boulder Total Return Fund, Inc. since March 1999, and to The Denali Fund Inc. since October 2007. As of April 30, 2008, the Advisers had a total of \$627.8million in assets under management. The Fund pays the Advisers an aggregate monthly fee at the annual rate of 1.25% of the Fund's average monthly totalnet assets (including the principal amount of leverage, if any) (the"Adviser Fee")...*

So, they are paid on an assets under management basis. I certainly would not be concerned unless there were a related control issue... further from the 497 filing:

*Boulder Investment Advisers, LLC. BIA was formed on April 8, 1999, as a Colorado limited liability company and is registered as an investment adviser under the Investment Advisers Act of 1940, as amended. Together with SIA, BIA serves as the investment co-adviser to three registered closed-end investment companies, the Fund, BTF, and DNY (together, the "Boulder Funds"), which currently are BIA's only clients. Stewart R. Horejsi is an employee of and investment manager for both Advisers and has extensive experience managing common stocks for the Fund as well as for the various other trusts and entities affiliated with the Horejsi family (the "Horejsi Affiliates"). The members of BIA are Evergreen Atlantic, LLC, a Colorado limited liability company, located at 2344 Spruce Street, Suite A, Boulder CO 80302 and the LB Trust, an irrevocable Alaska domiciled trust, whose address is c/o Badlands Trust Company, LLC, Resolution Plaza, 1029 West Third Street, Suite 400, Anchorage, Alaska 99501 (the "Members"). The Members each hold a 50% interest in BIA. The Members are "affiliated persons" of the Fund (as that term is defined in the 1940 Act). Mr. Horejsi, his daughter Susan L. Ciciora, and his son John S. Horejsi (Susan L. Ciciora and John S. Horejsi are both "interested" directors of the Fund), are discretionary beneficiaries under the LB Trust as well as under other Horejsi family affiliated trusts which own Evergreen Atlantic, LLC. Accordingly, as a result of this relationship, each of Stewart R. Horejsi, Susan L. Ciciora, and John S. Horejsi may directly or indirectly benefit from the relationship between the Fund and BIA.*

*Stewart Investment Advisers. SIA is a Barbados international business company,*

*incorporated on November 12, 1996 and is registered as an investment adviser under the Investment Advisers Act of 1940, as amended. As discussed above, SIA, together with BIA, serves as the investment co-adviser to the Boulder Funds, which presently are SIA's only clients. SIA is wholly owned by the Stewart West Indies Trust, an irrevocable trust domiciled in Alaska, established by Stewart Horejsi in 1996 primarily to benefit his issue (the "West Indies Trust"). The West Indies Trust's address is c/o Badlands Trust Company, LLC, Resolution Plaza, 1029 West Third Street, Suite 400, Anchorage, Alaska 99501. Mr. Horejsi is not a beneficiary under the West Indies Trust. However, John S. Horejsi and Susan L. Ciciora, Mr. Horejsi's son and daughter and the Fund's "interested" directors, are discretionary beneficiaries under the West Indies Trust and thus, as a result of this relationship, may directly or indirectly benefit from the relationship between the Fund and SIA.*

Are other shareholders at all concerned with the the Co-Adviser companies earning fees on an assets under management basis while two members of the Fund's Board of Directors (Susan L Ciciora and John S Horejsi) are ultimately beneficiaries thereof? Does that create a conflict of interest should the situation arise where the Board of Directors must choose between shareholder value and assets under management? Like, oh say, if the fund is trading at a 20%+ discount from Net Asset Value and there is \$50,000,000.00+ in short term government bonds and money market funds that underearns the expense ratio and is readily be available for a tender offer to restore shareholder value? Could possibly be a conflict of interest here where the interests of the Board of Directors are not perfectly aligned with non-insider shareholders? Anyone?

Second, lets observe what we can about "Fund Administrative Services":

*Fund Administrative Services, LLC ("FAS") is an affiliate of the Advisers and serves as the Fund's co-administrator. Under its Administration Agreement with the Fund, FAS provides certain administrative and executive management services to the Fund including: providing the Fund's principal offices and executive officers, overseeing and administering all contracted service providers, making recommendations to the Board regarding policies of the Fund, conducting stockholder relations, authorizing expenses and other administrative tasks. Under the Administration Agreement, FAS receives a monthly fee calculated at an annual rate of 0.20% of the value of the Fund's average monthly total net assets (including the principal amount of leverage, if any) up to \$250 million; 0.18% of the Fund's average monthly total net assets on the next \$150 million; and 0.15% on the value of the Fund's average monthly total net assets over \$400 million. FAS has agreed to waive a portion of its fee in order to limit the Fund's total monthly administration expenses (including administration, co-administration, transfer agent and custodian fees) to 0.30% of the Fund's average monthly total net assets. The equity owners of FAS are Evergreen Atlantic, LLC and the Lola Brown Trust No. 1B (the "LB Trust"), each of which is considered to be an "affiliated person" of the Fund as that term is defined in the 1940 Act.*

Did you notice that last sentence?

Again, "The equity owners of FAS are Evergreen Atlantic, LLC and the Lola Brown Trust No. 1B (the "LB Trust"), each of which is considered to be an "affiliated person" of the Fund as that term is defined in the 1940 Act." I know my opinion, but how do other shareholders feel about an "affiliated person" of the Boulder Growth and Income Fund having equity interest in our fund's co-administrator, which collects fees which are higher if the fund avoids doing a tender offer or share buyback to restore shareholder value?

Third, lets observe what we can some about The Board of Directors:

- Mr. Horejsi (John S Horejsi) and Ms. Ciciora (Susan L Ciciora) are "interested persons" of the Fund by virtue of their relationship with Stewart Horejsi, the Fund's primary portfolio manager and an employee of BIA (Boulder Investment Advisors) and SIA (Stewart Investment Advisors).
- Three other Board Members are deemed as "Independed Directors", including the Chairman: Joel W. Looney. But the filing notes that "From the late 1980's until January, 2001, Mr. Looney served, without compensation, as one of three trustees of the Mildred Horejsi Trust, an affiliate of the Fund's largest stockholder, the EH Trust. The address for the EH Trust is Resolution Plaza, 1029 West Third Street, Suite 400, Anchorage, Alaska 99501."

Does "the EH Trust" sound familiar? It is referred to slightly differently here, but we already read about it as the ERNEST HOREJSI TRUST NO 1B, It is the trust that began buying shares shortly after the Aggressive Level Rate Distribution Policy was suspended (and share price plummeted) and has again been buying in SEC filings since April 30 at an enormous discount to Net Asset Value. These acquisitions took place without any Tender Offer having taken place, which (in my view) would have benefitted all shareholders equally. How "independent" is Joel W. Looney possibly be (in your view)?

Before concluding, lets finally observe what filing 497 says about the President of the Fund, Stephen C. Miller:

Specifically, what were Mr. Stephen Miller's Principal Occupation(s) and Other Directorships Held During the Past Five Years?

*President of and General Counsel for BIA, since 1999; Manager, FAS, since 1999; Vice President of SIA, since 1998; Director and President of BTF since 1999 (resigned as Director in 2004); Director and President of FF since 2003 (resigned as Director and Chairman in 2004); of DNY since 2007; officer of various other entities affiliated with the Horejsi family; Of Counsel, Krassa &*

*Miller, LLC since 1991.*

I personally take special notice that Stephen Miller is an officer of various other entities affiliated with the Horejsi family, whose unique beneficial interests have surfaces time and time again. Also, I note his prior history with FF (now known as the First Opportunity Fund). Shareholders of the First Opportunity Fund might also want to look closely at the recent press release announcing the proposed restructuring of its Advisory Contract: "Under the proposed restructuring, two registered investment advisers (Rocky Mountain Advisers, LLC, and Stewart Investment Advisers) affiliated with the Fund's largest stockholders would become co-advisers to the Fund." As I noted in a recent article, the release states that "Rocky Mountain Advisers, LLC, is a newly-formed investment adviser whose management is substantially the same as Boulder Investment Advisers, LLC, also a co-adviser to the three Boulder funds."

I today received an e-mail purporting to be from Stephen C Miller. The e-mail generally accused me of an offensive nature in my phone calls with the company and alleged "frequent mischaracterization of your conversations with officers of the Fund". I also took the e-mail to infer a possibility of legal action being filed against me.

I hope this article has been helpful for readers/investors in formulating their own opinions. I am trying to be cautious in just sharing public facts because I have received a letter from Boulder Investment Advisers' attorney which has made me exceeding conservative. Of course, I think the best way for Boulder Investment Advisers' to serve its own reputation is to conduct itself with concern for shareholder value. BIF has not to date announced a tender offer to use the \$50,000,000.00+ of short term US government bonds and money market funds (approx 1/3 of total portfolio) represented on the Sec Form 10-Q that was filed April 28th. \$50,000,000.00+ of short term US government bonds and money market funds does of course under-earn BIF's expense ratio, especially after the cost of leverage.

I always fax my letter to the Board of Directors before actually sending it. I do write them because I do not otherwise trust them consider my my obvious interests as a shareholder. The fax number is 303-245-0420. The address I used for the Board of Directors is:

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