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6 accused of buying Neff stocks with insider trading

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The Securities and Exchange Commission on Wednesday charged six people with committing insider trading by buying stock in Miami's Neff Corp. in 2005, shortly before a sale of the equipment-rental company was announced.

The SEC alleges in a civil complaint filed in Miami federal court that the six collectively profited by about \$1.5 million.

New York private equity firm Odyssey Investment Partners closed on its \$510 million acquisition of Neff in June 2005, about eight months after negotiations began. The allegations of insider trading involve four separate instances leading up to the deal's announcement in April 2005.

In one, Miami child psychiatrist Sebastian De La Maza is alleged to have learned of the deal through "constant contact" with his daughter, Vivian Mas, wife of Juan Carlos Mas -- Neff's CEO at the time.

Neither Juan Carlos Mas nor Vivian Mas are charged in the civil complaint.

De La Maza, 71, allegedly made a \$84,000 profit when the deal closed.

"Dr. De La Maza vehemently denies any wrongdoing," said his lawyer, James Sallah. "He's stunned by the allegations."

FRIENDLY TIES

In another instance, Miami lawyer Thomas L. Borell is accused of buying stock while on family vacations in Walt Disney World and Vail, Colo., with longtime friend Jose Mas, a Neff director at the time and the brother of Juan Carlos Mas. Jose Mas isn't a defendant in the suit.

Borell, 48, made a \$974,859 profit on his Neff trades, the SEC alleges.

"Mr. Borell intends to vigorously contest these allegations," said his lawyer, David Chase, who said he had not seen the complaint.

Glenn Gordon, the SEC's associate regional director, said the defendants "took advantage of personal relationships to defraud the market."

"This case should send a message to people considering insider trading: Don't do it," Gordon said.

Also named in the suit is Alberto J. Perez, who has managed real estate projects for the Mas brothers. The suit alleges Perez had an office in Neff's headquarters and access to confidential information on the deal.

Perez, 31, along with his brother Jose G. Perez, 34, both of Miami, owned a securities brokerage account they used to buy Neff stock in 2005, the suit claims. The pair turned a \$399,000 profit, the SEC charges. Alberto Perez "denies these charges vehemently," said his lawyer, Christopher Bruno.

Sallah, who also represents Jose Perez, said his client "will vigorously defend himself."

Two professionals who prepared Neff's tax returns also are accused of buying stock after learning about the deal through their work for the company.

Lawyer and accountant Kevan D. Acord, 49, of Kansas, and accountant Philip C. Growney, 44, of Missouri, deny through their lawyer they had any advance knowledge of Odyssey's plans to acquire Neff.

Acord is accused of making a \$7,719 profit for himself and a \$146,572 for a client who is not named in the suit. Growney made a \$12,594 profit, the suit adds.

The SEC wants the individuals to turn over profits and to pay civil penalties.

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