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## **Investor lawsuits fly against Phoenix Diversified owner, family**

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Phoenix Diversified Investment Corp. is starting to look like Boca Raton's version of the KL Financial meltdown.

The commodities trading firm abruptly shut down this month, then was forced into bankruptcy by angry investors hunting for their money. Losses could reach \$40 million owed to 140 investors, according to some court records.

The blowup - with its ever-growing roster of lawsuits, attorneys and bankruptcy trustees - is reminiscent of the implosion of West Palm Beach hedge fund KL. Investor losses totaled \$213 million in that 2005 disaster.

Still, as the days go on, the web of Phoenix's burned investors continues to grow. Among them are some notables: Former Glades Central High football star Demale Stanley and the children of David Manero, owner of the trendy Vic & Angelo's restaurant in Palm Beach Gardens.

Sports fans may remember Stanley's story. In 1996, the promising player was paralyzed from the neck down after hitting a wall during practice at the University of Pittsburgh. Stanley settled a lawsuit with the university for millions in 2000.

Stanley's name recently appeared in a lawsuit against Phoenix and the man who ran it, Michael A. Meisner. Stanley invested more than \$500,000 with Phoenix, said Stanley's lawyer, Richard Willits of Lake Worth.

Not long before Phoenix's trouble started, Stanley temporarily withdrew \$100,000 from his Phoenix account, Willits said. Stanley never suspected anything had gone wrong with his money until he tried to put the \$100,000 back. He now is suing because more than \$420,000 invested with Phoenix is "unaccounted for," Willits said.

Other investors looking for their cash include Manero's children - David C. Mainiero, an adult; and Jordan, a minor. They have filed a lawsuit against Meisner in Palm Beach County Circuit Court. The suit also names Meisner's wife, Victoria, and their three adult children: sons David and Jason and daughter Brooke, who was just married off at Mar-a-Lago last weekend.

The lawsuit claims the Meisners misused \$233,000 in Manero kiddy money. The lawsuit claims the cash went to finance the Meisner's lavish lifestyle, which included expensive

cars and real estate for the Meisner family members. Meisner, seeking to stave off lawsuits filed against him personally, filed Chapter 11 bankruptcy reorganization last week.

"But all of his kids didn't," the elder Manero pointed out.

Meisner's bankruptcy attorney didn't return a call for comment.

**John Bianco** is a lawyer who represents a group of investors claiming \$1 million in losses. Bianco says there's still a chance investors can recover their money - if Phoenix's proprietary trading software program is for real and can be sold.