

NEW YORK POST

AG, SEC LOOKING INTO ANALYST'S FIRING

By RODDY BOYD

October 4, 2006 -- The New York Attorney General's office and the Securities and Exchange Commission have launched full-fledged probes of a small but influential Wall Street firm that fired an analyst who tried to publish a report critical of one of its clients.

Subpoenas have gone out over the past week to Rodman & Renshaw over the departure of Matt Murray, a biotech analyst who said he was not allowed to lower his stock rating of a company once it had reached its price target.

Shortly after broaching the subject of downgrading Halozyme - a Rodman banking client - he was fired, he said.

A law enforcement source told The Post that a subpoena launching a New York AG investigation into Murray's February departure had gone out to Rodman; this source also said the SEC had also subpoenaed the firm.

A Rodman spokesman said that while the firm would not comment on the subpoenas, he was confident "that we have acted appropriately in the [Murray] matter."

Murray told The Post he was "grateful to learn that the Attorney General is continuing the important work on supporting analyst independence."

At the time of his departure from Rodman, which specializes in underwriting controversial PIPEs - or private investment in public equities - Murray was a high-profile analyst of small-cap pharmaceutical companies.

Murray said that once his request to downgrade the shares of Halozyme was turned down, he asked Rodman's compliance chief to remove his name from its coverage.

This set in motion a series of ugly confrontations between Rodman executives and Murray that led to his departure.

Before leaving Rodman in March, Murray said he asked the firm's Chairman, Gen. Wesley Clark, the former NATO commander and potential Democratic contender for the presidency in 2008, to intervene, but did not get a response.

A call to Clark was not returned.

Spitzer was the lead regulator in probing conflicts of interest in big Wall Street firms' stock research that led to a landmark settlement in 2003. The largest financial firms in the country were forced to cough up a total of \$1.4 billion to Spitzer and federal regulators.

No formal accusation was made against Rodman.

[Home](#)

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