

I welcome the SEC probe of NovaStar Financial. (see Reuters article:
http://biz.yahoo.com/rc/040419/financial_novastar_1.html)

This investor wants the assurance of the SEC that it will conduct a COMPLETE investigation.

During the past month, I have seen my investment in NovaStar plummet from \$180,000.00 to \$90,000.00.

This harrowing experience is the result, I believe, of a coordinated conspiracy conducted by short sellers of NovaStar. I am confident that SEC's probe of NovaStar will reveal that the company in no way attempted to deceive investors. The Earnings Reports, dividends and other financials are exactly as projected.

I suspect the major short seller of NovaStar is Rocker Partners. Co-conspirators would be primarily Herb Greenberg (CBS Marketwatch) and Jonathan Weil (Wall Street Journal). Also, un-named posters on NFI Yahoo Finance Message Board are presumed to be PAID BASHERS. I believe that a detailed SEC investigation will show historical business connections between Rocker, Greenberg and Weil. Deceptive and mis-leading articles are posted on the newswires by Weil and Greenberg, simultaneously the paid bashers completely disrupt all communication on the Yahoo Finance message board and coincident to all of that, massive waves of short selling creates panic selling of the stock by frightened investors.

The COMPLETE SEC investigation of NFI will show that the company is the target of an organized attempt to manipulate the share price. NovaStar, without the manipulation and scare tactics from the short sellers, would be an \$75.00/share stock with a 7% yield, ideal for retirement income investors. The current illegal price manipulation of NovaStar, however, makes the company extremely risky, unsuitable for most retirement investors.

Investors of NovaStar Financial are suffering from attacks by these few journalists who are knowingly publishing false information with an intent to deceive investors, scaring them away from buying NovaStar. Greenberg and Weil write with impunity and arrogance. Their dishonest reporting raises false "concerns" about NFI and the articles contain no balance or factual supporting evidence whatsoever. Opposing arguments, which factually discredit their contentions, are totally ignored and lead to more negative derogatory articles.

I look forward to the SEC investigation and the conviction of persons engaged in this conspiracy to manipulate NFI.