

Assets Of Damon, Nady Frozen In Stanford Fallout

Yankees Outfielders Had Money Invested With Broker Dealers Whose Accounts Were With A Stanford Company

Damon: "I Can't Pay Bills;" Nady: "I Can't Put A Credit Card Down To Hold [An Apartment]"



Reporting

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NEW YORK (CBS) —

It was not the kind of squeeze play two New York Yankees had in mind.

Johnny Damon and Xavier Nady both had their accounts frozen because their investments are connected to an \$8 billion fraud scheme.

Now they can't access their money, and as CBS 2 HD has learned Damon can't even pay his bills.

The FBI says the massive scheme Robert Allen Stanford is accused of running has tentacles around the world, including at spring training at Legends Field where teammates Damon and Nady are striking out in trying to spend their money.

Scott Kahan is a money manager who said Damon and Nady aren't direct investors with Stanford, but their brokers are brokers now among the 50,000 Stanford clients whose assets are frozen while the Securities and Exchange Commission investigates what they call a massive fraud.

CBS 2 HD: "Do these two have anything to worry about?"

Kahan: "I'm going to assume that they don't, assuming that the money is just frozen until it can be straightened out."

"They should be able to get to their money. Is it hours, is it days, is it weeks? That's hard to say."

Until then, both players, who are focusing on spring training, seem to have hat in hand, with Damon saying: "I can't pay bills now. That started on Tuesday. I had to pay a trainer for working out during the offseason. I told him, 'Just hold on for a little bit longer and hopefully all this stuff gets resolved.'"

And Nady, who's trying to find a home, said, "I don't have any money with Stanford but all my credit cards are frozen right now because of that situation. I'm trying to get an apartment in New York. I can't put a credit card to hold it."

Kahan said he's floored by the whole scenario.

"That is amazing because in today's world, everybody should have money in the bank," he said.

Kahan said the mistake two Yankees made is tying all their money up with their brokers and not diversifying in case money is needed during an emergency.

"When you need it and you can't get to it, no matter how much money you're making, if you can't get to a few dollars in cash, or write a check, it's a problem," he said.

The feds said Stanford sold \$8 billion worth of certificates of deposits by promising sky-high returns that were unsubstantiated.