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Hedge Fund ALERT

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Diamondback Duo Plan New Fund Operation

Look for **Diamondback Capital** founders **Larry Sapanski** and **Richard Schimel** to re-emerge with a new hedge fund business in the near future.

Only two months after shutting the doors of their once-$6 billion fund shop, Sapanski and Schimel are talking to colleagues about launching a fund under a new name as early as June. Word has it they could start out with more than $250 million — most of it their own money. The partners already have spoken with former Diamondback staffers about assuming roles in the new business.

Sapanski and Schimel co-founded Diamondback in 2005 after holding senior positions at **SAC Capital.** Diamondback weathered the financial crisis, but the Stamford, Conn., equity-fund shop subsequently was dragged into the government's insider-trading probe. Diamondback was among four fund shops raided by the **FBI** in November 2010. The others — **Barai Capital, Level Global** and **Loch Capital** — shut

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Seed Capital Clears Way for Petrarca Launch

Startup **Petrarca Capital** has pushed back the launch of its first hedge fund after negotiations with a seed investor took longer than expected.

The firm, led by former **Paulson & Co.** executives **James Fotheringham** and **Robert Lacoursiere,** had been aiming for January to launch a financial-stock vehicle called Petrarca Capital Partners with $100 million. As far back as October, Petrarca indicated it was in final negotiations with an unnamed seed-capital provider.

Six months later, it appears those talks finally have resulted in a $50 million commitment from **Skandinaviska Enskilda Banken** of Stockholm. With SEB's backing in place, Fotheringham and Lacoursiere told prospective investors last week that they now are looking at an April 1 launch for the fund — still with $100 million.

That amount includes SEB's pledge and $4 million each from Fotheringham and Lacoursiere. While that might seem like a small amount of skin in the game for the founders, the money represents a majority of their net worth, according to the most recent marketing documents. "That suggests to me that they probably walked

See PAULSON on Page 5

Equity-Derivatives Pioneer Preps Debut Fund

A veteran equity-derivatives trader whose resume includes stints at **Credit Suisse** and **Paloma Partners** plans to launch a hedge fund on April 1.

Mike Belbeck has lined up about $10 million of firm commitments for his Holworthy Capital Fund, which will pursue a volatility-arbitrage trading strategy. His track record includes a 9.8% average annual return for the 2007-2011 period while managing a portfolio first at **Vicis Capital** and then at Paloma unit **Sunrise Partners.**

Belbeck left the Greenwich, Conn., operation at the end of 2011, then served a gardening leave before setting up shop in New York under the **Holworthy Capital** banner. The firm is named for a dormitory at **Harvard University,** where Belbeck went to school.

Although volatility is at its lowest ebb since the financial crisis, Belbeck has been telling investors his strategy is designed to profit in most market environments. That said, Holworthy is highlighting Belbeck's performance during periods of financial

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THE GRAPEVINE

Technology-stock analyst **Ernesto Cruz** started this month at **Sachem Head Capital,** the New York hedge fund shop being formed by former **Pershing Square** manager **Scott Ferguson.** Cruz previously was an analyst at **JAT Capital,** which he left in January. He had joined the firm about a year ago as a generalist, but later shifted his focus to technology.

Former **Diamondback Capital** employees continue to turn up at other hedge fund operators. **Greg Martinez,** who had been a portfolio manager at Diamondback, is one of several almuni who have joined **Millennium Management.** Meanwhile, **Chauncey Upson,** who ran a book of financial stocks, signed on at **Steadfast Financial** as an analyst. Diamondback's former staffers have been scattering

See GRAPEVINE on Back Page

Axonic Keeps Charging Into CMBS

Structured-product investor **Axonic Capital** has wasted no time in ramping up its commercial-mortgage business — an area where it's poised for continued growth.

The New York firm owns $240 million of commercial mortgage-backed securities, up from none when it hired former **Macquarie Capital** executive **Matt Weinstein** in September to lead it into the sector. Now, it could more than double those holdings.

The commercial-mortgage exposure is currently 15% for both Axonic's $1.4 billion Axonic Credit Opportunities Master Fund and an accompanying separate account with $200 million. The plan is to keep adding to those holdings until the allocation reaches 25-30% — through continued purchases of commercial MBS and by starting to buy whole loans on the secondary market.

From there, Axonic is seen as likely to start a fund aimed solely at commercial-mortgage bonds and loans. That vehicle could launch as soon as this year.

The emergence of Axonic's commercial-mortgage business marks an effort to diversify amid rapid growth at the firm, whose overall assets have increased to $1.7 billion from just $400 million a year ago. The operation invests mainly in residential mortgage bonds, where it has benefitted from a widespread rise in values, strong deal performance and a so-called putback strategy in which it pushes originators to buy back poor-performing collateral accounts that failed to meet lending standards.

Axonic is among a large group of structured-product investors that believe stellar returns on residential-mortgage products in recent years probably can't continue, though the sector should still generate solid profits. The Axonic Credit Opportunities vehicle followed up a 25.7% gain last year with a 3.4% profit in January. It has posted an average annual return of 31% since its April 2009 inception.

Axonic's CMBS investments have been performing in line with its residential holdings. The CMBS portfolio encompassed pieces of 35 deals as of January, according to an update sent to limited partners last month. The bonds include some whose values have risen nearly to par and others whose prices are more deeply discounted but still have the potential to recover, along with interest-only securities purchased as hedges. Although the manager mainly has been in buying mode, it also has sold a few positions with what it deemed encouraging results.

In general, Axonic expects the values of commercial-mortgage securities to keep rising as loan delinquencies fall. It's aiming in part to find "idiosyncratic" deals overlooked by other buyers.

As part of the firm's continuing push into the sector, it has hired two analysts. **Jon Salter** joined Feb. 4. He previously worked at **J.P. Morgan. Chris Seay** arrived in mid-February from a CMBS-focused post at **Ziff Brothers Investments.**

Separately, president **Peter Gaudet** left March 1 (see The Grapevine on Page 8). Axonic is led by chief investment officer **Clayton DeGiacinto,** who spun off from **Tower Research Capital** in late 2010 and took his fund with him. ❖

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Trian LPs Favor Co-Investment Funds

Investors poured more than $1 billion into **Nelson Peltz's Trian Fund Management** last year, despite lackluster performance for the firm's main vehicle.

In an SEC filing last month, the activist manager reported $5.9 billion of "regulatory" assets under management — a measure that includes leverage — versus $3.4 billion a year earlier. A source said Trian's assets have roughly doubled in the past two years. The inflows mainly have come from institutional investors, including corporate and public pensions in the U.S. and sovereign-wealth funds in Asia and the Middle East, that have looked for ways to increase their equity exposure with minimal risk.

The firm's flagship vehicle, Trian Partners, gained just 1% last year following returns of 3.9% in 2011, 18.1% in 2010 and 16% in 2009. But most of the recent subscriptions have gone into separate vehicles that co-invest alongside the main fund.

Some of those entities are special purpose vehicles set up to give investors more exposure to select positions held by Trian Partners. Others are so-called strategic investment funds that hold the same positions as the main fund but carry private equity-like terms that lock up investor capital for eight years. In both cases, the returns have exceeded those of the flagship fund.

The first strategic investment fund had its final close in 2010 with $1 billion of equity. In December, Trian held a first close for a successor vehicle with $500 million of investor capital, including $200 million from **New York Common Fund.** The second strategic investment fund has an equity-raising goal of $1.5 billion.

Trian's main fund is off to a strong start this year, with a 7.9% gain through the end of February. Core positions include investments in **Heinz, Kraft** and **Ingersoll-Rand.** ❖

Clinton Maps Next Activist Vehicle

George Hall's Clinton Group hopes to raise more money for an activist strategy targeting the retail sector.

The firm is in the early stages of setting up a fund that would mirror the strategy of Clinton Retail Opportunity Partnership, which launched in September 2011 and has generated impressive returns so far. The firm's activist team, led by portfolio manager **Joseph De Perio,** has been involved in 20 such investments since 2009, according to marketing materials for the planned fund.

The pitchbook reports net returns for the existing fund, known as CROP, based on the fees envisioned for the new vehicle: 2% of assets and 20% of gains. Investors would have netted a 32.4% return for the last four months of 2011, 19.1% last year and 3% in January. The CROP fund has a different fee structure that was not disclosed in the marketing materials.

The existing fund no longer is accepting capital. A year ago, that fund had about $20 million of gross assets. It's unclear why Clinton wants to launch a new fund rather than open CROP to new investors. It's possible the existing vehicle is structured as a "fund of one" for a family office or institutional client, or that the manager is concerned about diluting performance for current investors.

De Perio joined Clinton in 2006, having previously worked at **Millennium Management** and **Trimaran Capital.** Among the companies his team has invested in are teen-clothing brand **Wet Seal,** mattress maker **Select Comfort** and toy marketer **Jakks Pacific. Henry Sullivan** oversees marketing.

Clinton, which Hall founded in 1991, had more than $5 billion under management a decade ago. But a series of missteps left it with just $250 million at the start of 2011. A year ago, Clinton reported $2.9 billion of regulatory assets, including leverage. About $500 million of the total was managed via hedge funds, with collateralized debt obligations accounting for the rest. ❖

Weintraub Alumni Counting Backers

Several **Weintraub Capital** portfolio managers are hanging their own shingles as the hedge fund firm converts to a family office.

Among the professionals going solo is healthcare-stock specialist **John Rende,** who already is pitching his own vehicle. He started at San Francisco-based Weintraub in 1996, and has served as a portfolio manager for the past 13 years. In that role, he managed up to $300 million on an unleveraged basis and earned a gross average annual return of 8%, with only one down year. His new firm, San Francisco-based **Copernicus Capital,** is trying to raise $50 million to $100 million by Oct. 1 for its first fund.

Meanwhile, **Joe Ziolkowski** and **Peter Luber** have teamed up to form **ZL Capital.** They're marketing a fund that would take long and short positions in financial, consumer, industrial and energy stocks, and are hiring specialists in those areas.

Another manager, whose identity couldn't be learned, is gearing up for the launch of a fund whose investments would include master limited partnerships and REIT shares.

The timing of the efforts is unclear. Weintraub founder **Jerry Weintraub** said in November he planned to retire and would return capital to investors while repurposing his firm to run his personal fortune. He had been running $1 billion through the shop, which he started in 1992. The operation posted gains in all but two years, generating an average annual return in the low teens. ❖

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Quant Contest Offering Richer Purses

A series of quantitative-investing competitions designed to spot emerging talent has entered the big leagues.

Battle-Fin, as the tournament series is called, will commence its fourth contest on May 1 with $20 million of prize money put up by an unidentified institutional investor. As usual, the prizes will take the form of seed capital — to be managed in this case by the top finishers in each of two categories based on the contestants' level of experience.

The purse is more than twice the amount of seed money winning teams divvied up in any of the previous contests. Battle-Fin president **Tim Harrington,** a co-founder of hedge fund incubator **Lion's Path Capital,** said the Miami-based tournament organization suddenly is attracting attention from institutional money managers looking for new sources of alpha. In just the past week, Harrington has fielded inquiries from a large pension and a big fund-of-funds manager. When the fifth contest gets under way on June 1, the purse will be up to $25 million.

"Battle-Fin is creating a monitoring process to attempt to identify the next **Jim Simons,"** Harrington said, referring to the founder of **Renaissance Technologies.** "Nobody's been able to get so granular in tracking, ranking and identifying beginning traders."

The competition is expanding in other ways as well. In addition to equity managers, the tournament is now open to commodity-futures traders. Other liquid asset classes, including currencies, likely will be added in the future.

Harrington also has formed partnerships with several technology firms that have agreed to provide a range of trading and data services to some contestants free of charge for the first couple of months. The service providers include **Deltix,** which helps managers design and implement quantitative-investment strategies; **RavenPack,** which generates trading signals based on real-time news feeds; and **Lucena Research,** which makes machine-learning software to help traders back-test and fine-tune their programs.

"We are trying to get combined resources into the hands of emerging managers that typically only $500 million-plus managers have access to," Harrington said.

Another change: Starting May 1, Battle-Fin will kick off competitions every month, rather than once a quarter. Contestants in the top two divisions will be judged on their performance over two months running money they already have. The top three finishers in the "elite" division — for teams with a minimum 12-month track record and typically $25 million or more under management — will divvy up $13 million of seed capital at the end of round four. In the "professional" division, for traders with a minimum six-month track record and less than $25 million of assets, the top two finishers will split $7 million. The winner of the "launch" division, for traders with no track record and no money, will get the right to compete in the professional division the next time around.

Battle-Fin admits 10 contestants in each division. For the next round, the deadline for applying is March 15.

The winning teams will manage the seed capital on behalf of the institutional backer via separate accounts, keeping 20% of the gains. In the wake of the three earlier rounds, five teams are still managing seed investments ranging from $1 million to $5 million apiece.

Harrington conceived of the competition while running a seeding program for quantitative-equity managers at New York-based Lion's Path. As the tournament has grown, he has been devoting more time to Battle-Fin. ❖

Nexus Starts Up Energy Fund

A hedge fund shop founded by **Craig Lucas,** former co-head of **Zimmer Lucas Partners,** began trading last month with about $200 million.

Nexus Asset Management was formed by Lucas, **Devin Geoghegan, John Lee** and others from Zimmer Lucas after that utility-focused firm dissolved last year. **Stuart Zimmer,** who had been Lucas' partner for 15 years, also has set up his own fund operation, **Zimmer Partners.**

Nexus pursues a global long/short strategy involving energy companies, including electric and natural gas producers and distributors. Its range of investments includes public equities, master limited partnerships, credit-default swaps, distressed loans, special situations and debt acquired via syndications or on the secondary market.

Most of the firm's launch capital appears to be in separate accounts. In SEC filings, the firm said it had raised just $31.5 million via the Nexus Energy Partners Fund and a companion offshore vehicle.

There had been speculation that Nexus would operate as a fund-of-funds manager, but it's now clear that the firm will invest the majority of its assets directly. However, it will back some outside managers with capital from certain clients' accounts.

Lucas and Geoghegan are principal owners and co-chief investment officers of Nexus. Lee is a minority partner and chief operating officer. Also on board are general counsel **Tara Flynn** and chief financial officer **Joshua Lowy.** Former **Diamondback Capital** staffer **Michael Gefen** joined the firm this year. Other staffers include **Randall Li** and **James Tanguay.**

Nexus' offering appears to put it in competition with Zimmer Partners, which launched a utility-focused fund in January with $200 million from investors who stuck with Zimmer after the split. Called ZP Utility Fund, it is the continuation of the predecessor firm's ZLP Utility Fund, of which Zimmer was sole portfolio manager. The vehicle has delivered a 23% average annual return since its inception in 1997.

Zimmer and Lucas split over "philosophical differences." Together, they ran about $900 million at the start of 2012. ❖

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LPs Leery of Latin America Funds

Net outflows from Latin American hedge funds totaled $860 million last year, reflecting weakening investor interest in the region, according to an analysis by **eVestment.**

The Atlanta firm, which tracks traditional and alternative investment strategies worldwide, found 167 funds that invest in Latin America generated a 12.3% average annual return for 2012, compared to 8.7% for the MSCI Emerging Market Latin America Index. Nonetheless, investors continued a gradual retreat from the region that has resulted in net outflows in all but a few quarters since 2010.

"Latin America attracted hedge fund assets in the early 2000s as investors looked to gain emerging-markets exposure," eVestment wrote in a six-page report distributed to clients last month. "However, that interest has waned in recent history, even in the face of Latin America's increasing presence on the global stage."

Why? **Peter Laurelli,** head of eVestment's research group, said the outflows likely reflect moves by risk-averse institutional players to reallocate capital to traditional investments they view as safer. "Chances are if a consultant is guiding you, the exposures are less risky than what a fund of funds would do for you," he said.

Victor Hugo Rodriguez, chief executive of placement agent **LatAm Alternatives** and director of the **Hedge Fund Association's** Latin America chapter, said managers in the region also have suffered from deficient marketing. While not disputing the eVestment report, Rodriguez said he has seen an uptick in interest in Latin American vehicles this year. ❖

Paulson ... From Page 1

away from Paulson with less than you might expect," one investor said, referring to their share of the firm's profits.

Marketing documents for Petrarca's fund state that Fotheringham and Lacoursiere "were responsible for around $10 billion in as many as 70 financials-sector positions in each of their four years at Paulson." But investors have pointed to one potential stumbling block: Neither Fotheringham, a senior vice president in Paulson's banking group, nor Lacoursiere, a partner, had the authority to make trading decisions.

They also point to the fact that Paulson's once-stratospheric gains gave way to heavy losses starting in 2011, largely within its financial-stock portfolio. Fotheringham and Lacoursiere left **John Paulson's** firm in early 2012.

To help build some marketing momentum, Petrarca has been offering lower fees to early limited partners. Those who commit less than $25 million and agree to a 5% penalty for redemptions within a year will pay a 1.5% management fee and a 15% performance charge. Those willing to contribute more or commit their capital for longer periods — a "soft lockup" of 1-3 years with an early-redemption fee of 3-6% in the first year — would surrender 1% of assets and 10% of gains. Although the firm initially told investors that the offer would be good on the first $150 million of equity that it raises, it now is making the so-called founders share class available until July, no matter how much it raises.

The fund would take 20-30 long and short positions predominantly in the common stock of banks. It also would invest in insurers, brokerage firms, asset managers and specialty-finance businesses, and would have the flexibility to trade in preferred equity, senior and subordinate debt, covered bonds, credit-default swaps and exchange-traded funds. The entity would employ leverage of up two times equity.

Before joining Paulson in 2008, Fotheringham and Lacoursiere were equity analysts covering mortgage, consumer-finance and specialty-finance companies — Fotheringham at **Goldman Sachs** and Lacoursiere at **Bank of America.** Also on board at Petrarca are chief financial officer **Brandi Jane Wedgeworth,** who previously held a similar position at **Michael Cahill's Crispin Capital,** and analysts **Nora Dietsch** and **Paolo Ribeiro.** ❖

Corrections

A March 6 article, "HedgeCo Maps Seed Investments," incorrectly reported that **HedgeCo** operates fund-performance database **HedgeFund.net.** HedgeCo operates a separate database called HedgeCo.net. HedgeFund.net is owned by **eVestment.**

A March 6 article, "Consumer-Loan Shop Pursues Leveraged Play," incorrectly described how **Colchis Capital's** founders are related. **Robert Conrads** is **Edward Conrads'** father. ❖

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Late Results Dent Balyasny's Average

Balyasny Asset Management suffered an unusually sharp loss last month, potentially complicating plans to raise fresh capital for its flagship Atlas Global vehicle.

The fund fell about 3% in February, its worst monthly drawdown since September 2008. Although Atlas Global has been profitable so far this month, there has been talk both inside and outside the Chicago firm that the February slide could affect plans to begin accepting capital again following a 20-month fund-raising hiatus.

"Quite a surprise, given how diverse the portfolio is and how keen they are on risk management," one investor said of Balyasny's performance last month.

The fund had gained 0.8% in January, but its 2012 return was a less-than-stellar 4.9%, versus a 7.4% gain for the HFRI Equity Hedge (Total) Index. Although Balyasny generally is seen as a multi-strategy fund operator, 93% of its assets were in long/short equity investments at yearend.

The $3.9 billion firm, founded by **Dmitry Balyasny** in 2002, had planned to re-open Atlas Global by the end of this year. Indeed, the firm has hired a number of portfolio managers in recent months in anticipation of an increase in assets. But the firm might delay the reopening until it consistently puts up the kinds of numbers investors have come to expect. Atlas Global boasts a 21.8% average annual return without any down years.

In a note to investors this month, the firm blamed the February loss on investments in the energy, industrial and financial sectors, as well as increasing leverage. Balyasny has boosted its leverage to 266% gross exposure, versus a 2012 average of 148%.

"As we continue to increase gross exposures to our target levels, higher volatility is to be expected," the letter said. "However, we obviously do not like to see downside volatility and work hard to mitigate it."

The fund has recovered some ground this month, gaining 2-3% in the first week of March.

Following a recent hiring spree, Balyasny now employs 38 portfolio-management teams covering a range of strategies, but predominantly equities. The firm's headcount has grown to 195, including 109 investment professionals. ❖

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Shumway Backs Equity Startup

Tide Point Capital has received a seed investment from **Shumway Capital.**

The backing arrived this month, with Shumway supplying an undisclosed amount of capital to Tide Point in exchange for a cut of the Greenwich, Conn., equity shop's revenues. Tide Point had $70 million under management as of March 1.

The firm last year received initial seed capital from fund-of-funds operator **Titan Advisors.**

For Shumway, meanwhile, the arrangement marks the firm's fourth seed investment — and its first to involve a manager who wasn't a former staffer. Previously, the firm backed **Paul Hudson's Glade Brook Capital, Jonathan Thaler's JAT Capital** and **Ashwin Vasan's Trend Capital.** Shumway operates as the family office of former hedge fund manager **Chris Shumway.**

Tide Point was launched last year by **Chris Winham,** whose resume includes several years running **Diamondback Capital** unit **Harbor Watch Capital.** He's employing a long/short strategy focused on consumer-discretionary, energy, industrial and materials stocks. ❖

Diamondback ... From Page 1

down soon afterward.

Diamondback stayed in business, and for a while seemed to have shaken off the taint of the government probe. A year ago, the firm paid the **SEC** $9 million to settle civil charges. Neither the firm nor its partners were accused of criminal wrongdoing.

By late last year, however, it became clear that investors were still nervous. In the face of $500 million of yearend redemption requests — more than a quarter of the firm's assets — Sapanski and Schimel decided to pull the plug. They finished liquidating Diamondback Master Fund in January, following a gain of 7% for the first 10 months of 2012.

To date, the insider-trading probe has led to charges and subsequent convictions of three Diamondback insiders: one-time portfolio manager **Todd Newman,** former analyst **Jesse Tortora,** and ex-investment staffer **Anthony Scolaro.** But **Preet Bharara,** the U.S. Attorney in Manhattan, has said Sapanski and Schimel were unaware of the misconduct. ❖

Pioneer ... From Page 1

turmoil — including monthly gains of 20% or better in September and October 2008, when markets were cratering.

Holworthy is offering limited partners two management-fee options. Those who agree to a one-year lockup followed by quarterly liquidity would pay just 1%, while those who opt for a six-month lockup followed by monthly liquidity would pay 1.5%. In both cases, investors would pay performance fees equal to 20% of gains.

Belbeck is assisted by two unidentified investment professionals, as well as an operations staff that includes a chief operating officer, chief technology officer and head of software development.

Belbeck has spent 20 years focusing on equity derivatives both on the buy side and sell side — experience that could give him an edge when negotiating swap contracts. After working as an intern at **Citadel** in the early 1990s, Belbeck joined Credit Suisse in 1997 to help build an equity-derivatives desk. He was trading volatility swaps and other instruments years before they became standard fare on the **Chicago Board Options Exchange.**

He later worked at **Deutsche Bank** and Vicis before joining the Paloma unit in 2010. ❖

LATEST LAUNCHES

Fund	Portfolio managers, Management company	Strategy	Service providers	Launch	Equity at Launch (Mil.)
Borghese Partners Domicile: U.S. ✒See Page 3	John Rende Copernicus Capital, San Francisco 415-602-4987	Long/short: equity (healthcare)	Prime brokers: Goldman Sachs, Bank of America Law firm: Shartsis Friese Auditor: RothsteinKass		4Q-13

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THE GRAPEVINE

... From Page 1

across the industry following the Stamford, Conn., firm's wind-down this year (see article on page 1).

President **Peter Gaudet** left **Axonic Capital** on March 1 to start a brokerage shop whose functions would include raising capital for hedge funds and other investment vehicles. Gaudet, a former Army officer, appears to be positioning his firm in part to capture assignments set aside for veteran-owned business. Replacing him at Axonic is **Labib Mahfouz,** who joined the New York firm as chief operating officer last July from **Tricadia Capital.** Gaudet, who helped found Axonic in 2010, focused on the firm's fund-raising efforts. It's unknown whether his new business will count the shop among its clients. Axonic has an in-house marketing unit headed by managing director **Peter Schendel.**

Francie Jain has joined **Light Street Capital** as head of investor relations and business development. Jain most recently was head of capital introduction within **Lazard's** prime-brokerage unit. Light Street, based in Menlo Park, Calif., invests in technology stocks worldwide.

Mike Terry is leaving his post as head of capital introduction within **Bank of America's** prime-brokerage unit after a year-and-a-half on board. He's on his way to Westport, Conn., hedge fund operator **Bridgewater Associates,** where he'll serve in a senior investor-relations role.

Alex Rabinovich joined the New York headquarters of hedge fund manager **Havens Advisors** this month as a managing director responsible for business development. Rabinovich previously worked at **SEI Investments** of Oaks, Pa., where he had been on board since 2010 as part of a team that performs back-office functions for hedge funds and private equity vehicles. Havens was founded 18 years ago by one-time **Bear Stearns** executive **Nancy Havens-Hasty,** with a focus on risk-arbitrage and bankruptcy-related investments.

Analyst **Robert Gaskell** has left London alternative-investment firm **Falcon Money Management,** destination unknown. Gaskell had joined the then-new Falcon in January 2009 after a short stint as an analyst at **UBP Asset Management** in London. His departure comes as the shop prepares to take on outside clients for the first time, expanding beyond an arrangement in which it has been running $4 billion exclusively for part-owner **Beazley.** That capital is spread across a range of hedge funds, including those employing global-macro, commodities, credit-product, statistical-arbitrage, volatility-arbitrage and event-driven strategies.

Former **Citigroup** chief executive **Vikram Pandit** is seeking a home for his new investment firm. Pandit, who has been working for about a month to start a fund-management shop, has hired a real estate broker to scope out possible locations in Manhattan. The apparent plan is to move in within the next year, starting with enough space for about two dozen staffers. Among them will be **John Havens,** who founded **Old Lane** with Pandit and moved with him to Citi via the bank's 2007 purchase of the hedge fund operator.

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