



## Schulte Roth & Zabel LLP

Bringing the best of the UK and US markets to Europe

As the only law firm with a market-leading practice in the twin capitals of the finance world, New York and London, Schulte Roth & Zabel (SRZ) leads the pack in advising hedge funds and hedge fund managers in all aspects of their business and operations. Since its formation over 40 years ago in New York, SRZ has centred its practice on hedge funds and a very large number of the firm's lawyers across all practice groups spend much of their time advising the firm's stellar client base. Today, SRZ represents more of the top 100 largest hedge fund managers globally than any other firm. Two of the top three largest hedge fund managers in Europe are clients of SRZ and the firm represents more than 2,000 funds globally.

The firm's London office, which has been celebrating its 10th anniversary this year, is as key to the success of the firm's investment management practice as the investment management practice is to the success of the firm as a whole. Indeed, this year SRZ has further demonstrated its commitment to the UK market by promoting Kerrie Walsh and Nick Fagge to partner as well as recruiting Jim McNally as a partner.

Kerrie Walsh, who is dual-qualified in the US and the UK, advises clients on all aspects of fund operations throughout a fund's life and works closely with Chris Hilditch, the head of the London office, and Josh Dambacher, both of whom are recognised as leading individuals in the hedge fund market. Nick Fagge is a tax and partnership law expert who advises managers extensively on their structures and who also has significant experience in acquisitions and disposals of interests in hedge fund managers. Nick works closely with Dan Shapiro, a US tax expert who has been advising hedge fund managers since the late 1960s and who can truly be said to "have seen it all". Jim McNally is a private equity and transactional lawyer who joined the firm from Dewey & LeBoeuf, where he worked closely with Dewey's global head of private equity, Joseph Smith, who also joined SRZ earlier this year along with a team of 10 other partners, counsel and associates. Jim adds extra depth to SRZ's ability to advise its clients on their investments in Europe as well as providing additional capacity in respect of private equity and closed-end fund formation — a number of the firm's clients both in London and in the US have established private equity-style funds to take advantage of particular opportunities in the current markets, especially in distressed debt and special situations.

Supporting the partners is a team of dedicated associates in London, which includes experts in regulatory matters, prime brokerage and ISDA and distressed debt trading. This team also has the ability

to draw extensively on their colleagues in New York and Washington DC, where the firm opened an office in 2008 and which primarily advises on regulatory and enforcement matters. For a number of years, the firm has run a programme whereby associates from the New York office are seconded to London for several years, bringing with them market knowledge from the US and, once they return to New York, they are able to do the same in reverse. Recently, Cathy Weist, an associate who has advised many of the firm's largest clients in the US, became the latest secondee.

SRZ London prides itself on being able to bring to bear both European and US legal expertise on each and every fund it represents. Its lawyers, and their colleagues in New York, understand and appreciate the difference between the various markets and can apply tailored advice to each. As such, each and every fund launch is designed to take account of all relevant issues and the firm works closely with clients to ensure that their commercial aims are achieved whilst at the same time meeting investor, market and legal requirements. Getting these things right at the start, rather than going for a commoditised solution, saves a lot of time, expense and operational issues later. In fact, SRZ has found that many existing funds have sought its advice as to how to deal with issues not addressed in their start-up and many of these clients have asked SRZ to act as their primary legal counsel on an ongoing basis, appreciating SRZ's global, sophisticated advice.

The firm's leading global market share in hedge funds represents a unique ability to provide these clients with both a truly global perspective and cutting edge solutions. As the alternative investment sector has matured, the firm has expanded the nature of the services it provides. SRZ's London practice provides complete cradle to grave service, advising many of the leading investment funds at all stages of their business, from fund formation and optimised tax planning through advisor representation, seed capital arrangements, investor negotiations, employment issues and succession planning. The firm also spends a significant amount of time advising funds and managers on relations with investors who are increasingly more demanding, thanks to their enhanced due diligence and more extensive ongoing information requirements.

As regulatory scrutiny increases, an important focus for the firm as a whole has been on boosting resources in its regulatory and compliance practice. SRZ provides both UK and US regulatory advice from its London office and the lawyers in London work closely with the established and growing regulatory teams in New York and Washington DC on

regulatory issues affecting their clients worldwide. SRZ lawyers have access to proprietary information sources allowing them to guide clients as to legal requirements worldwide, especially with respect to the marketing of funds. Rather than simply leaving clients to interpret a commoditised database, SRZ lawyers are able to add their experience and those of their other clients to the application of rules, which are not always that transparent.

As hedge fund specialists, SRZ far outpaces its competitors in terms of assets under management and overall value of fund launches. Many independent hedge fund industry annual reports demonstrate and confirm that SRZ acts on the biggest and most influential launches in the global hedge fund industry. Research shows that, in the last year, the London office won the majority of significant new manager fund launches.

Given SRZ's deep UK and US expertise, many of the most celebrated names in the European hedge fund industry look to SRZ for a truly integrated approach. As disproportionately more investment capital and regulatory initiatives have come from the US, more of Europe's largest managers have found having integrated UK and US legal advice in London indispensable.

With the US still the undisputed leader in hedge funds, it is the place where more trends, particularly in terms of investment strategies, take shape. Hedge fund professionals agree that in many ways the industry still looks to the US for new trends, whether it is in fund terms or investment styles, and to Europe for leadership in best practice and disclosure. SRZ is uniquely combining the best of both, seeking to address all the relevant considerations and issues from the start. **THFJ**

### JOSH DAMBACHER

Josh Dambacher focuses his practice on corporate, securities and regulatory matters. He primarily represents institutional and entrepreneurial investment managers, financial services firms and private investment funds.

### CHRISTOPHER HILDITCH

Christopher Hilditch advises a wide range of managers on structuring and establishing investment funds and other innovative products. He advises promoters and managers on operational issues, including prime brokerage arrangements, investment transactions and relations with investors.