

FOCUS ON

## LONDON

*HFMWeek* talks to Schulte Roth & Zabel partners Dan Shapiro, Chris Hilditch and Josh Dambacher about the firm's decade of advising London's premier hedge fund managers



**Josh Dambacher**  
is a partner in investment management.



**Christopher Hilditch**  
is a partner in investment management.



**Dan Shapiro**  
is founding partner in investment management.

**T**en years ago this September, Schulte Roth & Zabel (SRZ) brought its premier hedge fund practice to the European market when it opened its office in the heart of London's hedge fund community – Savile Row in Mayfair. During the ensuing decade, SRZ's London practice has grown significantly and SRZ has established what it believes to be the only top-tier practice on both sides of the Atlantic.

For more than 40 years, SRZ has been the go-to firm for hedge fund managers in the US and during the past 10 years has built its London practice to that standard. Today, the foundation of SRZ's London practice includes partners Dan Shapiro, a founding partner of the firm who remains actively involved with London clients; Chris Hilditch, managing partner of the London office; and Josh Dambacher, who transferred from New York as the London practice expanded. Special counsel Kerrie Walsh and Nick Fagge, both with the London office when it opened, round out a team of senior lawyers that allows SRZ's London office to now boast one of the largest and most experienced group of hedge fund lawyers in London.

Given SRZ's UK and US expertise, many of the most celebrated names in the European hedge fund industry look to SRZ for a truly integrated approach. "The success of our practice in London comes from our ability to consider both UK and US issues," says Shapiro. In addition, as disproportionately more investment capital and regulation has come from the US, more of Europe's largest managers have found having US legal advice in London indispensable. "Our clients are increasingly seeking global and more sophisticated advice," says Dambacher. The SRZ partners emphasize their leading global market share in hedge funds as providing them with a unique ability to provide their clients with a truly global perspective and cutting-edge solutions. "Managers are attracted to our responsive and creative approach as they seek to raise money and operate in markets worldwide," says Hilditch.



SRZ has demonstrated a commitment to its UK practice by investing in and enhancing resources despite market volatility. Its team of London-based legal staff offer the skills and capacity to serve the needs of a broad range of international hedge fund clients throughout the ongoing life of a fund. Its comprehensive service extends from fund formation, UK and US tax, prime brokerage and derivatives advice to working with the principals of the management company on succession planning, team incentivisation and general employment issues.

Overall, the firm remains ambitious, growing organically with the market and client needs. "There isn't any trend happening in the hedge fund market that we aren't ahead of," states Shapiro. 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 has added a dedicated financial services regulatory lawyer in London to advise clients on European regulatory developments. This lawyer works closely with SRZ's growing regulatory teams in New York and Washington DC on regulatory issues affecting their

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clients worldwide. Given market conditions in continental Europe, another key area of focus for the London practice has been distressed debt trading with the recent addition of a dedicated team in London. Like many of the firm's clients, it sees the secondary market for European distressed debt as an exciting growth area in the coming months and years.

The firm also spends a significant amount of time advising funds and managers on relations with investors. "The nature of the relationship has changed and investors are more demanding these days. Not only have many investors enhanced their due diligence, but their ongoing information requirements are a lot more extensive," states Hilditch.

In recent years, SRZ has seen an increase in side letters and seed agreements. "Our experience negotiating these arrangements has allowed us to help clients satisfy their global regulatory obligations while achieving their other commercial objectives and not creating future issues," says Dambacher.

This year will be an exciting one for the firm. In addition to the celebrations surrounding the London practice's 10-year anniversary, the firm believes it is perfectly positioned to continue its growth, fulfilling hedge funds' increasing need for more sophisticated, global advice. ■