

## **Shoreline Beats Caxton, Lehman to Win Annual Hedge-Fund Regatta**

By Bryan Keogh

Aug. 21 (Bloomberg) -- When the safety cord around his team's sailboat snapped at the start of the fifth annual hedge-fund regatta, Ned Glenn, a corporate compliance lawyer for Merrill Lynch, plunged overboard into the New York harbor with 16 bows bearing down on him.

About an hour and one twisted sail later, Glenn's team, sponsored by Los Angeles-based Shoreline Trading Group LLC, claimed victory yesterday. The New York-based team took home the Hedge Fund Cup, Tiffany & Co. crystal apple paperweights and a \$5,000 voucher for [Linear Air](#), a private flyer.

"We accelerated right by the entire fleet," said Glenn, 33, celebrating with a can of Heineken beer after the race, the broken 3/16-inch thick cord wrapped around his waist like a badge of honor. He spends as much as 70 days a year on the water and manned the masts for Shoreline, a broker to hedge funds and other professional money managers.

The hedge-fund regatta charity event gives traders, analysts and others tied to the industry a chance to test their maritime mettle and escape the strains of Wall Street. Proceeds from the race support youth sailing projects in lower Manhattan.

### Feeling the Crunch

Seventeen teams participated in this year's regatta, just more than half the record 30 involved last year. The ongoing crisis in the financial markets probably contributed to the decline, along with a smaller marketing effort, said Michael Fortenbaugh, commodore and founder of the Manhattan Sailing Club, which administers the race.

JPMorgan Chase & Co., Goldman Sachs Group Inc. and Credit Suisse AG did not compete this year and are among the financial companies that have reported more than 100,000 job cuts and \$505 billion in writedowns and credit losses since the beginning of last year.

"Everywhere you look, people are feeling the crunch," Fortenbaugh said.

Lehman Brothers Holdings Inc., the fourth-largest U.S. securities firm, Moore Capital Management LLC, the manager of \$20 billion in hedge funds founded by Louis Bacon, and Bruce Kovner's Caxton Associates LLC sponsored teams this year.

### Sailing Well

The secrets to sailing well are similar to managing a hedge fund, said Russell Lucas, 47, who manages \$1.6 billion as co-founder and portfolio manager at Lucas Capital Management in Red Bank, New Jersey, on the Jersey Shore.

"Sailing strategy just goes hand in glove with running money," said Lucas, who led his team to a third-place finish. "You're trying to win every race, you're trying to win every trade."

Griswold Company Inc. broker T.J. Dalton founded the hedge-fund regatta with eight teams in 2004 to raise money to start a youth sailing program in Manhattan. The event has collected about \$100,000 for the New York Harbor Sailing Foundation since its inception, allowing Operation Optimist, Manhattan's first junior sailing program, to raise its sails this summer with 10 dinghies. They offer children ages 7 to 13 beginner lessons five days a week, Fortenbaugh said.

#### More Dinghies

`` I knew I could get a couple of teams together right away," said Dalton, 37, who matches orders on the floor of the New York Stock Exchange. `` Hedge fund guys are pretty competitive."

Each team paid \$2,000 to participate. With donations from the event's six sponsors, the regatta took in almost \$50,000, Fortenbaugh said. The haul should allow the foundation to double the number of dinghies to 20 next summer, giving more Manhattan children the opportunity to learn how to sail, he said.

`` It's a great thing for kids because they learn independence," said Fortenbaugh. `` They can sail all day, come back with smiles and suntans."