

HFN DAILY REPORT

March 14, 2007

Editor's Note

Veteran investment banker Frank De Rose has opened a new event-driven shop, Ferrata Capital. He last worked at Swiss Re. Welcome to the world of hedge funds, Frank!

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Banking Vet Opens Event Driven Shop

Veteran investment banker Frank De Rose has opened up an event driven shop.

His Ferrata Capital Management debuted Jan. 1.

"I am focused on management change, recapitalization, restructuring," De Rose said, describing his investment style.

De Rose said his investment banking background will come into play when evaluating a company.

"I am looking for businesses that are valuable but have seen their stock beaten up," he said.

The hedge fund is a precursor to a private equity fund planned for 2008. The current "club deal" activity widespread in private equity will yield opportunity in the future.

"Right now, it is just leverage on top of leverage," De Rose said of the private equity space.

De Rose said he dealt with private equity at his last job, Swiss Re.

The event driven hedge fund will starting next month have a minimum \$500,000 investment. De Rose said the hedge fund now has a \$250,000 minimum. The total capacity for the hedge fund is \$100 million. The hedge fund has a 2% management fee and a 20% performance fee.

De Rose has been an investment banker for Goldman Sachs, Chase and Swiss Re.