

# Hedge Fund Litigation

There are many forms of dispute which arise within the hedge fund industry. K&L Gates acts for a range of different participants in the hedge fund community and has a thorough understanding of industry practice in respect of hedge fund agreements. The K&L Gates Litigation Group works hand in hand with the K&L Gates Hedge Fund Group in advising clients on the best legal and commercial solutions to disputes.

The types of dispute are varied, but areas where K&L Gates has experience include disputes between:

- investors and funds and/or their service providers i.e. fund directors, managers, administrators, custodians, counterparties, prime brokers and auditors
- funds and service providers
- offshore managers and onshore investment managers/sub-managers
- investment managers and their partners and employees
- investment managers and regulatory authorities
- participants and their insurers



There are numerous claims by institutions, including major pension funds, and class actions by investors, against hedge funds in the United States. The regulation of hedge fund managers is under scrutiny. In the UK, the FSA is conducting a thematic review of the risk of market abuse and the management of inside information by hedge fund managers.

In these times, hedge fund managers need to know that they can turn to advisers who can deal with the risks and opportunities with which hedge funds are presented now more than ever.

K&L Gates is ideally placed to address these issues.

- K&L Gates' long-established investment management practice advises, and has for several decades advised, leading funds and fund managers of all sizes, and has detailed experience of acting for hedge funds and hedge fund managers.
- K&L Gates has defended hedge funds, hedge fund managers and many types of financial services firms and individuals against substantial law suits, securities class actions and arbitrations, and has pursued claims on their behalf.

- K&L Gates' securities enforcement practice regularly defends firms and individuals in regulatory investigations by bodies such as the FSA and the SEC.
- K&L Gates has partners who are former in-house lawyers at hedge funds, whilst other partners have held senior positions within the SEC and other regulators.
- K&L Gates' policyholder insurance coverage practice has wide experience advising on and improving policy wordings at renewal, and securing funding from Directors' and Officers' and professional indemnity policies when insurers had previously declined coverage.
- K&L Gates is recognised as a dependable crisis manager to conduct internal investigations when clients need to establish the facts and take big decisions in the light of their operational risks and regulatory responsibilities. From major high profile assignments such as investigating examiner of New Century, in the CBS Sixty Minutes affair and for the Examiner in the WorldCom bankruptcy to smaller incidents, when management simply must know the

truth and how to deal with it K&L Gates' lawyers know what to do, how to do it efficiently, effectively and sensitively to the client's needs.

- K&L Gates is acting in hedge fund SIV noteholder priority cases, has considerable experience in investment manager partner disputes and litigation on business sales in the investment management sector.

K&L Gates focuses on the key tasks - identifying risk, minimising exposure and dealing with disputes.

Whatever a hedge fund or hedge fund manager has to face - from external litigation to internal employment issues; from regulatory enforcement proceedings to compliance practices - K&L Gates has the knowledge and understanding of the hedge fund industry to protect, advance and fulfil business objectives, by resolving concerns and disputes.

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