



410 The Rise (& Fall) of Hedge Funds in Shareholder Activism & Financing Corporate M&A Transactions

Michael C. Caulfield
General Counsel and Corporate Secretary
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Faculty Biographies

Michael C. Caulfield

General Counsel, Chief Compliance Officer and Corporate Secretary
Computer Horizons Corporation

Neil J. Ginn

Neil J. Ginn is the attorney and manager, legal operations for Mirant Corporation in Atlanta. He has management responsibility for the engagement and oversight of outside counsel and all other outside services provided to the legal department.

Previously, he was Mirant's managing attorney for stockholder services from their IPO through the first two years of their bankruptcy proceedings, during which time hedge funds became holders of the majority of Mirant's publicly traded debt. Consequently, hedge funds became significant shareholders of new Mirant. Prior to joining Mirant, Mr. Ginn served as corporate and securities attorney for Southern Company, with responsibility for preparing Southern's proxy statements, and seeking omission and negotiating withdrawal of stockholder proposals.

He is past chair of ACC's Corporate and Securities Law Committee and currently serves as secretary to ACC's Energy Law Committee.

Mr. Ginn received his J.D. and L.L.M. from Atlanta Law School.



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ACC's 2006 Annual Meeting: The Road to Effective Leadership

October 23-25, Manchester Grand Hyatt



● The Rise of Hedge Funds

- victims of their own success — Much like institutional investors of the 20th Century, the magnitude of their holdings makes it more difficult for them to “vote with their feet”
- Estimated 8,500 Hedge Funds in 2005
- \$1.1 trillion in assets under management (AUM)

● What is a Hedge Fund?

- Private investment fund
- Lightly regulated
- Annual management fee is typically 20% of the profits of the fund plus 2% of assets, but can be as high as 50% of profits
- No other common characteristics



● Industry Groups

- Alternative Investment Management Association Limited <http://www.aima.org/>
- The Hedge Fund Association <http://www.thehfa.org/Aboutus.cfm>
- Managed Funds Association <http://www.mfainfo.org/>



● Most hedge fund representatives are much like other institutional investors

- Very well informed
- They do their homework
- Candid with suggestions
- Seek opportunities to learn more



● Thompson Financial study

Communicating with Hedge Funds, July 2006

- http://media.corporate-ir.net/media_files/CorporateResources/upload/Communicating_with_Hedge_Funds.pdf
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“We’re not activists, but we do tell management what they should do.”