

## U.S. News

## DellaCamera Targets Conn. Bank

DellaCamera Capital Management has taken a 5.2% stake in Southern Connecticut Bancorp. The New York firm, which opened its doors last year and is run by former Elliot Associates convertible arbitrage trader Ralph DellaCamera, is not satisfied with the holding company's direction and performance, according to a filing with the Securities and Exchange Commission.

DellaCamera may meet with management to propose a share repurchase plan or to hire an advisor to explore strategic alternatives, the filing states. It also may opt to run a slate of directors at the next annual meeting. Southern Connecticut Bancorp is a holding company for the Bank of Southern Connecticut.

DellaCamera owns 152,700 shares that it purchased for roughly \$1.1 million. It paid an average of \$7.16 per share. Shares of Southern Connecticut Bancorp were trading around \$7.41 as *AIN* went to press last week. Calls to DellaCamera and the bank were not returned by press time.

## Barrington Blasts Lancaster Anti-Takeover Mechanisms

New York activist hedge fund firm Barrington Capital Group has stepped up its attack against Lancaster Colony Corporation. The firm, which is run by James Mitarotonda, is taking issue with anti-takeover mechanisms put in place by the Columbus, Ohio-based conglomerate whose business include automotive, glassware and specialty foods. "We believe that the numerous defenses the company has in place are excessive and demonstrate a disregard [toward] shareholders by facilitating the entrenchment of the company's directors and executive officers," according to a letter to the board.

Barrington, which owns nearly 5% of the company's shares, has been sparring for months with CEO John Gerlach, whose family founded the company. The anti-takeover mechanisms include a poison pill with a 15% threshold and an 80% supermajority voting structure that gives the Gerlach family more control over matters such as mergers and acquisitions.

The hedge fund has been calling for some of the business lines to be sold, and in particular wants the company to borrow \$300 million to conduct a stock repurchase program. "The company's balance sheet is currently debt-free and the cost of debt is significantly less than the cost of equity," Mitarotonda wrote in another recent letter. Calls to Barrington and Lancaster were not returned by press time.

## Bear Stearns Fund Trades On Secondary Mart

One of Bear Stearns' beleaguered subprime mortgage hedge funds has started to trade on the secondary market. The *High-Grade Structured Credit Enhanced Levenaged Fund* received its first bid on June 22 for 25 cents on the dollar. By last week, the bid was down to 15 cents, noted Jared Herman, co-founder of Hedgebay Trading Corporation, which runs a secondary market for hedge fund sales. This closely follows the pattern for another recent meltdown, Amaranth Advisors, which kept trading downward, he added.

Although news of the fund's trouble along with that of the *High-Grade Structured Credit Fund* has been out longer, there was not enough information in the market for buyers to make a bid, explained Herman. On the June 22, Bear Stearns said it would step up with a \$3.2 billion loan to prop up the High-Grade Structured Credit Fund (*iialternatives.com*, 6/22). By that afternoon the first bids came in.

The fund receiving the bail out, High-Grade Structured Credit, has not traded. "The high degree of uncertainty of what the recovery will be is probably the reason," said Herman.

## Quellos CIO To Head Up New BlackRock Venture

Quellos Group's CIO Bryan White will be heading up the fund of hedge funds and fund of private equity funds platform created by the merger with BlackRock. White will be in charge of the combined platform, renamed *BlackRock Alternative Advisors*, with each of current portfolio managers in charge of the platform's strategies: Howard Berkowitz will continue to run BlackRock's fund of hedge funds, Russ Steenberg will head up BlackRock's private equity fund of funds, and Gene McDonald will lead the Quellos' private equity fund of funds business.

BlackRock acquired the platform from Quellos for \$1.7 billion, boosting its total assets to \$25.4 billion.

Laurence Fink, chief financial officer of BlackRock, said that global markets are growing in terms of needs in the Middle East, Asia, U.S. and Europe, and are now seeking multi-asset solutions. "[They] don't want just equities or bonds," he said in a conference call. "We expect clients to look for multi-strategies within the fund of funds area."

Fees are negotiable, between 55 and 70 basis points. The fund of funds will not charge the typical 2/20 fees, said Fink. Berkowitz founded HPB Management, which was acquired by BlackRock in April 2003. Previously he was partners with Michael Steinhardt, the well-publicized hedge fund manager-turned-philanthropist.