**Director’s Corner**

The research department has been shifting its prospecting focus in order to adjust to changing market realities. In the past recent months, we have put a hold on various financial sector prospecting projects, and instead, have been qualifying long-dusty lists that include people in industries outside the financial world. We have found a number of new prospects at the major gifts level this way!

We have also made an effort to keep you up-to-date about relevant changes in investment bank industry through the “street sheets” available on the research website. We have also introduced the “upside of the downturn” section of the Newswire to highlight positive news. Please let us know if we can help in other ways to keep you informed of changes to the financial world.

~Melinda

---

**Street Sheets**

Just a reminder that one-page summaries on each of the formerly-known-as bulge-bracket investment banks, including Goldman Sachs, Merrill Lynch, UBS, and others, are available on the Prospect Research website under the Companies & Stocks tab. Updated weekly, these summaries include information on mergers, share prices, layoffs, and more.

Or go directly to: [http://www.yale.edu/devresearch/toolkit_stocks.html](http://www.yale.edu/devresearch/toolkit_stocks.html)

---

**Some Upside to the Downturn**

Though Citibank is preparing to layoff 50,000 employees and prominent San Francisco law firm Heller & Ehrman closed its doors after 118 years, there is, in fact, some good news around town:

- Investors who do have cash on hand are preparing to seize opportunities in a big way, and many money managers are focusing on the positive. One top prospect told his investors that “the profit potential is extraordinary.” Opportunistic (aka “vulture”) funds are looking for distressed and undervalued assets in real estate, US manufacturing, transportation, and other areas. There is a particular interest in international opportunities, especially in China.

- Top law firms—especially Wachtell Lipton, Sullivan & Cromwell, Simpson Thacher, and Cravath—are generating revenue as advisors to ibanks on mergers, bankruptcies, and conversion to bank holding cos., etc. as well as to government entities like Fannie Mae, Freddie Mac, and the Treasury.

- Strong-performing bankers are still expected to receive bonuses this year, though they might be somewhat reduced, lest they jump ship to other firms.

- And finally, some hedge funds are performing quite well despite the credit crisis. In fact, as of early November, one in every 50 funds is up more than 30 percent this year (on the order of 200 funds total).

---

**Welcome Michael Regan**

We are happy to welcome Michael Regan to Prospect Research as an associate research analyst for the Central Team. A graduate of Tufts University, Michael hails from Cheshire, CT and comes to Prospect Research via Gateway Community College. While there, Michael was an administrator and provided faculty and student support in Continuing Education. In his spare time, Michael is very involved in DCI, a children’s charity based in Cheshire that helps underprivileged children in Bangladesh. He also enjoys listening to music and going to concerts (Some favorites are Tom Waits, Cake, the operas of Philip Glass, and Alexander Scriabin’s Symphony No. 3, “Le Divin Poème”). Additionally, Michael is known to have a curious obsession with Connecticut’s own poet of poets, Wallace Stevens, and is an avid Red Sox fan.
**Branching Out**

Congratulations to research analyst Steven Towns who was quoted on Japanese equities in the November 8 issue of The Economist. Wow!

**Yale Trivia!**

Mory’s, that venerable Yale-affiliated institution, is undergoing financial difficulties and there is concern that it may have to close. How much do you know about Mory’s?

- What year was Mory’s founded?
- Who was “The Widow”?
- What year were women first admitted to Mory’s as members?
- Bonus: Just what is rarebit?

Please email answers to: prospectresearch@yale.edu

One correct respondent will win a prize!

---

**Source Tips**

Since mid-2007, at least 95 funds at 58 firms have “imploded” (and thus likely shuttered), according to the Hedge Fund “Implode-O-Meter” (http://hf-implode.com). This easy-to-use resource lets you check whether a prospect’s employer or one of its funds has either “gone through some sort of permanent adverse change” or is on the brink. On a case-by-case basis, the site also provides valuable, often clarifying commentary.

What’s a CDO? Want to understand what happened to AIG? Let Marketplace’s Paddy Hirsch explain. For very helpful short videos on timely topics, including credit default swaps, margin calls, and naked short selling, see http://marketplace.publicradio.org/videos/whiteboard/.

---

**HAPPY THANKSGIVING!!**

We hope you have a safe and wonderful holiday.

---

**Farewell to Sam Sims**

We recently saw the departure of Sam Sims, assistant director for central research, who returned at the beginning of November to his native England. Sam joined the research department as an analyst in August 2007 and quickly distinguished himself for the quality of his research as well as for his entrepreneurial spirit tempered by practical business sense. Outside of his official duties, he was a member of the Development soccer team, a fellow of Berkeley college, a youth soccer coach in New Haven, an avid squash player, and a marathoner. Sam will be telecommuting for Research for a few weeks and promises to send Cadburys and updates!