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# Ropes & Gray lawyer is a rare commodity

## Monson branches out in male-dominated hedge fund world

BY ROY STROM
*Law Bulletin staff writer*

As one of the city's top hedge fund lawyers, Deborah A. Monson's clients number in the hundreds and span the globe.

The Ropes & Gray LLP partner represents private equity funds, banks, mutual funds, insurance companies, private foundations and endowments that range from startups to global operations with $1.9 trillion in assets under management.

But they rarely cross gender lines.

When asked if she represented any funds led by women, Monson initially said no.

Then, "Oh, actually there's one.

"There really aren't very many," she said. "It's amazing."

Monson sits at the intersection of two industries — the law and money management — that have long confronted the same problem: Women have not reached a proportional representation of leadership.

Women consist of 17 percent of equity partners at the nation's 200 largest firms, the National Association of Women Lawyers says. And, in a survey this year, 79 percent of 440 senior women in the alternative investment industry — including fund managers, investors and service providers — said they work at firms where women are less than 25 percent of the general partners.

That's despite the study by former hedge fund advisory firm Rothstein Kass saying hedge funds run by women returned 9.8 percent in 2013, beating out the 6.1 percent returns for hedge funds generally.

"I don't think there's a lot of women managing their own fund," Monson said. "What I've seen changing is a lot of women doing investing and trading. And they didn't even used to be doing that.

"So they're getting up there. It's all a good thing — but slow, very slow to happen."

One of three lawyers to launch Ropes & Gray's Chicago office in 2008, Monson has thrived in the industry, and she is encouraged by the progress women are making in both asset management and the law.

Her own practice group is an example.

In Ropes & Gray's global hedge fund practice, six out of 10 partners are women — including the two co-leaders of the practice, New York's Laurel FitzPatrick and Boston's Leigh R. Fraser. And 11 of 19 associates are women, making the practice about 60 percent women in total.

Since Monson began representing commodity traders in 1985 when she joined Schiff, Hardin LLP following graduation from the University of Michigan Law School, her practice and the business of managing money have evolved.

One of the earliest transactions she worked on was negotiating a sale of hogs for a commodities broker. The terms of the contract accounted for how many hogs would become ill or die.

"I've never done anything like it since. I don't know anyone who has," she said.

By the mid-1990s, she branched out of the commodities space and represented asset managers. That work involves helping clients bring new products — such as mutual funds or other investments — to the market.

When Kenneth M. Rosenzweig, now a partner at Katten, Muchin, Rosenman LLP, worked with Monson at Schiff, Hardin, the term "hedge fund" didn't exist. But Rosenzweig said Monson has been able to adapt with the changing industry because of her problem-solving skills.

"Clients don't come to you with their problems in nice little boxes and say 'Here's what I want to do, and I know this lines up with your experience,'" Rosenzweig said.

"They come to you with problems they haven't thought about before or you haven't thought about before. And you gotta figure out how to make it work. And she certainly has the skill to do that."

**Deborah A. Monson**

Monson said solving client problems and helping launch products has been one of the most enjoyable parts of her career. What makes that work challenging, both Rosenzweig and Monson said, is the thicket of regulation any new investment product must obey.

Between the Securities and Exchange Commission, Commodities Future Trading Commission, the Internal Revenue Code, states' rules and rules at exchanges, Rosenzweig said, "It's like whack-a-mole."

"You solve one problem and you create another one," he said.

Recalling an example of that complexity, Monson talked about a client she declined to identify who tried to offer a first-of-its-kind product structured as a mutual fund. It would be managed by 10 separate advisers who would employ investment strategies similar to those in hedge funds.

This presented a multitude of challenges, Monson said.

The product would need approval by the SEC and CFTC. The advisers would have to register with the CFTC — which they said they would never do.

Or, of course, the fund could have chosen to work with different, CFTC-registered advisers. But the client wouldn't do that.

"If any one of 10 things could have been a little bit flexible, it would have been perfect all the way around," she said. "There was just no flexibility."

They eventually found a way to get the product to the market. It worked, she said, and the client is tremendously successful.

"The one thing about this area is these asset managers, product developers, they are continually looking for the next great idea — always," Monson said.

While she can't discuss clients by name, Ropes & Gray's website has a long list of representative clients. It includes the largest independent alternative asset management firm, Blackstone Alternative Asset Management, which managed $279 billion as of June 30. Pacific Asset Management Co. LLC, or PIMCO, is also on the list.

So, too, is Equinox Funds. According to its website, Equinox has launched a series of products since 2009, including what it called an "equity mutual fund employing a dynamic hedge to manage risk" in September 2013.

Joseph H. Nesler, general counsel of Grosvenor Capital Management, an independent alternative asset management firm with nearly $47 billion in assets under management, has worked with Monson as a colleague at Schiff, Hardin and now as a client.

"Whenever you're launching a new product, there is a very complex combination of legal and compliance considerations that need to be taken into (account), and Debbie is good at the big picture. She gets it all," Nesler said.

"She's someone who basically has the big picture in mind and can cover the whole waterfront, in terms of providing advice to her clients."

The Rothstein Kass survey suggests those clients may slowly be more women-led funds. Of the 440 women respondents, 17.5 percent said their goal was to manage their own fund within five years. That's up from 14.2 percent a year ago.

Monson said progress has been slower than she might have hoped, but added, "I think it's all moving in the right direction."