

Title:

Fund Manager Ron Pollack on Friends and Family

Word Count:

1062

Summary:

A few weeks ago, I had the pleasure of meeting the man, Ron Pollack (<http://www.ronpollack.net>), who had set up what was at one time one of the largest hedge funds in the US, peaking at over a billion dollars. We met in a Florida office in early summer. He was wearing shorts and a t-shirt, and if you had passed him walking down the street you wouldn't guess the amount of finances that this man can control. During the interview, Pollack talked about his career as a short seller and hedge fund manger, the charity groups he helps, his family, and why he's decided to return to short selling after a six-year hiatus. "Short selling is what I do and I need to get back to doing it," states Pollack.

Keywords:

Ron Pollack, Fund Manager, hedge fund, short sale, short selling

Article Body:

A few weeks ago, I had the pleasure of meeting the man, Ron Pollack (<http://www.ronpollack.net>), who had set up what was at one time one of the largest hedge funds in the US, peaking at over a billion dollars. We met in a Florida office in early summer. He was wearing shorts and a t-shirt, and if you had passed him walking down the street you wouldn't guess the amount of finances that this man can control. During the interview, Pollack talked about his career as a short seller and hedge fund manger, the charity groups he helps, his family, and why he's decided to return to short selling after a six-year hiatus. "Short selling is what I do and I need to get back to doing it," states Pollack.

Both Yale and Harvard seem to have a penchant for turning out successful investors: Jim Chanos (widely credited with exposing Enron as a fraud, and who Pollack got to know back in the 1980s when they were both short First Executive Life), Zoe Cruz (a brilliant commodity trader who rose to the co-presidency of Morgan Stanley, a section-mate of Pollack's at HBS), Jamie Dinan (CEO of JP Morgan Chase, who Pollack used to play pick-up basketball with at HBS), Strauss Zelnick (media wunderkind and Chairman of ZelnickMedia and Take-Two Interactive, Pollack's roommate at Harvard), Scott Schoen and Scott Sperling (co-presidents of leveraged buyout giant THL, and friends of Pollack from Harvard), Steve Pagliuca and John Bekenstein (of Bain Capital, friends of Pollack from HBS and

Yale respectively), Glenn Hutchins (of Silverlake Partners, also a Harvard classmate), to name just a few.

Pollack, who graduated Magna Cum Laude from Yale and went on to get both an M.B.A. from Harvard Business School and a J.D. from Harvard Law School, is no exception. After graduate school, Pollack went to Wall Street where he became an investment banker and later honed his skills as a hedge fund manager. Pollack was trained as a short seller by industry pioneers, the Feshbach Brothers and later went into business for himself. After leaving Feshbach in the early 1990s, Pollack built a highly successful family of hedge funds, the most well-known of which was his short fund, appropriately named Dancing Bear. But towards the end of 2001, Pollack started to look how he could spend more time with his growing family and helping charities.

"After the terrorist attack on 9/11, I was moved by what happened and I really wanted to help," said Pollack. For the months following the attack, the financial markets were in turmoil and Pollack began to feel the pull of loyalties between his investment business and the needs of his growing family. In November of that year, Pollack was at a family vacation with his expectant wife and three children. Sitting with his laptop on a hotel room watching the markets, he told his wife that he had to go back to the office because the markets were just too crazy.

On the drive back, he started on a plan of action that would allow him to have more time with his family as well as be able to help charity organizations. In 2002, Pollack merged his hedge fund business into the Monitor Group, based in Cambridge, MA in order to have more time for his outside activities, in particular, volunteer work and being a dad. During this time, he successfully set up fund-raisers for sick firefighters, police, sanitation workers, etc. of New York working with Vail Valley Foundation, the New York Rescue Workers Detoxification Foundation and others.

As part of his fund-raising activities, he would occasionally end up in the offices of fund managers. This would invariably pull at his heart strings as he had stopped trading after his decision to become a full-time dad and volunteer. In fact, during his time as a volunteer, Pollack only traded once.

At a charity auction in Vail, Pollack had bid for a day of trading and instruction with a local stockbroker, "just for fun." Little did this broker know who had won the bid. Needless to say, he was shocked to find out the depth of knowledge that his visitor had. Within the first 15 minutes, Pollack had completed a successful short sale and knew that he "still had it."

Although the broker hadn't recognized him when he first came to the office,

there are many others that know he had built one of the largest successful hedge funds in the US. When Russ Ramsey, Chairman and CEO of Ramsey Asset Management, wanted to set up a hedge fund specializing in short selling, he called in Pollack as a short sell guru for advice. During this time, Pollack did some research into the current markets and what other fund managers were doing. He figured that by this time, other managers would have saturated the short sale space. They hadn't.

"I was amazed. Nothing in short selling had changed in the years of my absence. They were still using the same techniques that we were using back in the 1980s" exclaimed Pollack. "I had already moved on to a newer short-selling model with Dancing Bear back in the mid-1990s I thought for sure others would have followed suit, and that by now short-selling would be over-crowded, just like most other hedge fund categories." Not only was the space not crowded, he found out that only a handful of managers were doing well. Although it was still not the right time to get back into this field, he realized then that this truly was what he wanted to do and would eventually come back to it.

In late 2007, Pollack decided that it was now time to get back to being a fund manager. He realized that although he enjoyed working with the charities, he could actually contribute more by making and donating money than through hands-on hours. His children were growing up and although he had enjoyed his break from the sometimes turbulent and often stressful world of hedge funds, it was also his passion and in his blood.

To put it simply, "I needed this time away to be with my family and really enjoyed working with my charity groups but I realize it's now time to come back. I loved the challenge of investing; especially shorting stocks, and I missed it dearly."