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DealVector Plans Loan Buyers Forum

A startup that runs an online community where investors can share information about securitizations is expanding it to encompass whole loans.

DealVector is assembling a network of European syndicated-loan buyers, primarily large hedge funds and other institutional investors in the U.K., France and Germany. Once it gets a core group going, the San Francisco firm plans to expand it to the U.S. and elsewhere. It hopes to make the new community operational within the next few months.

The year-old company seeks to bring transparency to the opaque world of fixed-income trading by giving investors a way to share information about deals such as collateralized debt obligations, collateralized loan obligations and mortgage securitizations. Via anonymous messages, participants can share prices of trades they're seeing in the market, find other investors in the transactions they hold and discuss how they value them. The forum for loan investors would allow them to discuss such matters as covenants and ownership rights on individual deals.

DealVector is currently free to debt investors. The firm charges debt administrators a fee to host forums dedicated to individual issues. That allows them to communicate with investors in a more efficient way than the current system, in which information trickles down to debt holders through a network of trustees and custodians.

For example, in March, **Broadway Financial** used DealVector to contact owners of a collateralized debt obligation that included a debenture issued by Broadway Federal Bank. Broadway was seeking to extend the life of the instrument to avoid a risk of default. An insurance company that owned a piece of the CDO told DealVector chief executive **Mike Manning** that it learned of the request via the forum two days before it received



notice from the trustee, giving it more time to respond. Broadway got the extension.

There are now 350 debt investors using DealVector, including **Carlyle Group**, **Eaton Park** and **Pine River Capital**. ❖