

## **Distressed Debt Group Spins Out of Quadrangle**

*Absolute Return*

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By Josh Friedlander

The distressed debt pros who ran \$3 billion Quadrangle Debt Recovery Advisors have spun their business out of parent Quadrangle Group.

Managing principals Michael Weinstock, Andrew Herenstein, Chris Santana and Josiah Rotenberg did not disclose the terms of the management buyout, which they sought out of a desire to own their own firm and focus exclusively on investing in the debt of bankrupt and distressed companies.

The newly renamed Monarch Alternative Capital will manage all three of what were Quadrangle's distressed debt funds. The firm's flagship investment vehicle, previously called Quadrangle Debt Recovery Fund, received *Absolute Return's* top award in 2005 for risk-adjusted performance in its category, based on a 12-month gain of 22.28% and a Sharpe ratio of 7.57 through September of that year.

Quadrangle Group runs \$6 billion of private equity and other assets, including Quadrangle Equity Investors, a long/short effort managed by Robert Donohue, who sold his Harpoon Equity Management to Quadrangle in 2006.