

BANKING/FINANCE

Chinese Tycoons Plant Money Management Flags on Wall Street

by Miles Weiss

When a new hedge fund opened in Mountainside, New Jersey, a leafy suburb that still holds an annual little-league parade, few would have guessed where much of its funding came from: Chinese billionaire Cai Kui.

The credit hedge fund, Westfield Investment, was founded by former Goldman Sachs Group Inc. Managing Director Renyuan Gao and managed \$139 million as of January. It's part of a new crop of asset management firms that are expanding China's reach on Wall Street as money has poured into the U.S. from the world's second-biggest economy.

China's marquee names are among those setting up shop in the U.S. Chen Feng, who controls the HNA Group airline and hotel conglomerate, has opened a U.S. money management firm. China Vanke Co., the mainland's second-largest residential developer, has indirectly taken a major stake in a manager. All told, about 324 firms with financial ties to the mainland and Hong Kong had registered with regulators by last year, more than double the number in 2012, filings show.

They are riding the wave of capital that left China on concerns about bank debt, a real estate bubble and the yuan, which plummeted about 11 percent against the dollar in the last two years. The currency flight was reflected in balance of payments data where capital outflows tripled to \$220 billion last year from \$70 billion in 2014, according to Derek Scissors, a China economist at the American Enterprise Institute.

"There is so much Chinese money floating around the U.S. now," Scissors said. "If you're a Chinese money manager, why wouldn't you come here?"

The migration comes amid a Chinese shopping spree for an array of U.S. companies, including financial firms like New York's Cowen Group Inc. and the Chicago Stock Exchange. Chongqing Casin Enterprise Group led the purchase of the exchange, which was founded in 1882. The deal was reviewed by a U.S. panel on national security grounds and eventually cleared in December.

In another deal with political overtones, a subsidiary of Chen's HNA Group agreed in January to buy a stake in Anthony Scaramucci's SkyBridge Capital, a New York fund of hedge funds firm. The announcement came after reports that Scaramucci had been tapped for a top job in the White House, stirring speculation that HNA's motives were partly political.

Scaramucci, whose White House job never materialized, has denied that HNA was seeking influence in the Trump administration.

The registration of the China-linked firms with the SEC hasn't drawn such scrutiny. The SEC began requiring hedge funds and buyout firms to sign up with the agency in 2012 as a result of the Dodd-Frank Act. About 30 percent of the Chinese firms that registered by 2016 are full-fledged money managers. The rest filed as exempt advisers that operate in the U.S. on a more limited basis.



ASSOCIATED PRESS

Funding for new hedge fund Westfield Investment came from Chinese billionaire Cai Kui.

"It doesn't require a lot to register in the U.S.," said Michael McCormack, a financial marketing consultant who specializes in China's asset management sector. "Especially when you compare it with the months or years it takes to get registered as a money manager in China."

Several of the firms, such as Vanke, have government ties or connections with state-owned enterprises. Some registered managers plan to invest in China, Hong Kong or Taiwan. Others say they will buy U.S. assets, such as real estate, or venture capital stakes in Silicon Valley startups.

Vanke Holdings USA formed Brightstone Capital Partners with several U.S. real estate experts to acquire commercial property. "We are definitely seeing a lot of opportunities," said Kai Yan Lee, managing director of Vanke Holdings.

China's biggest financial firms have their hands in several of the startups. Hong Kong's ICBC Credit Suisse Asset Management International, which is controlled by a joint venture between Credit Suisse AG and the state-run Industrial and Commercial Bank of China Ltd., registered with the SEC last May. The asset manager, one of the largest in Hong Kong, plans to offer U.S. funds.

Citic Capital Holdings, a money manager for one of China's largest state investment companies, supplied \$45 million to hedge fund CCSZF Management in Norwalk, Connecticut. ICBC provided financing in return for a cut of the profits. The fund makes leveraged bets on Treasuries through a relative value arbitrage strategy. Officials from ICBC Credit Suisse and ICBC didn't respond to requests for comment.

Some firms manage money primarily for moguls such as Cai, who has invested overseas for years and is worth \$2.7 billion, according to the Bloomberg Billionaires Index. He was married to Wu Yajun, who was the richest woman in China until the couple divorced in 2012.

Gao generated a 51 percent gain at Westfield in 2016, in part by betting on distressed corporate debt, according to an investor letter viewed by Bloomberg.

Miles Weiss reports for Bloomberg News.



CITY OF DORAL NOTICE OF PUBLIC HEARING TO CONSIDER A TEXT AMENDMENT TO THE CITY'S LAND DEVELOPMENT CODE

All residents, property owners and other interested parties are hereby notified of a **City Council Zoning Hearing** on **Wednesday, May 24, 2016, beginning at 6:00 PM**, to consider text amendments to the City's Land Development Code. The City Council will consider this item for **SECOND READING**. This meeting will be held at the **City of Doral, Government Center, Council Chambers located at 8401 NW 53rd Terrace, Doral, Florida 33166**.

The City of Doral proposes to adopt the following Ordinance:

ORDINANCE No. 2017-08

AN ORDINANCE OF THE MAYOR AND THE CITY COUNCIL OF THE CITY OF DORAL, FLORIDA, APPROVING/DENYING AN AMENDMENT TO THE LAND DEVELOPMENT CODE CHAPTER 77, "ROAD AND VEHICULAR USE AREAS", ARTICLE IV, "PARKING AND LOADING AREAS", DIVISION 4, "DESIGN STANDARDS", SECTION 77-185(a) "PARKING SPACES"; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE

HEARING NO.: 17-05-DOR-08

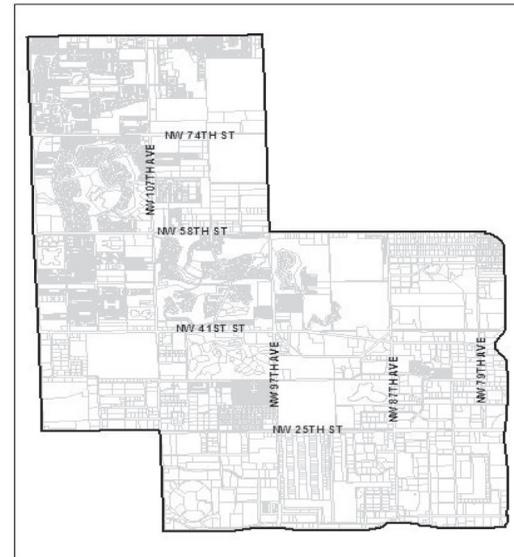
APPLICANT: City of Doral

PROJECT NAME: Amendment to the City's Land Development Code.

LOCATION: This amendment applies to the commercial and industrial zoning districts of the City of Doral, Florida.

REQUEST: The City is requesting an amendment to Chapter 77, Road and Vehicular Use Areas, Article IV, Parking and Loading Areas, Division 4, Design Standards, Section 77-185(a)(1) Parking Spaces to provide regulation requiring parking stall area on surface parking with a minimum width of nine (9) feet between parking spaces.

Location Map



Information relating to this request is on file and may be examined in the City of Doral, Planning and Zoning Department located at **8401 NW 53rd Terrace, Doral, FL 33166**. All persons are invited to appear at this meeting or be represented by an agent, or to express their views in writing addressed to the City Clerk, **8401 NW 53rd Terrace, Doral, FL 33166**. Maps and other data pertaining to these applications are available for public inspection during normal business hours in City Hall. Any persons wishing to speak at a public hearing should register with the City Clerk prior to that item being heard. Inquiries regarding the item may be directed to the Planning and Zoning Department at 305-59-DORAL.

Pursuant to Section 286.0105, Florida Statutes If a person decides to appeal any decisions made by the City Council with respect to any matter considered at such meeting or hearing, they will need a record of the proceedings and, for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. This notice does not constitute consent by the City for introduction or admission of otherwise inadmissible or irrelevant evidence, nor does it authorize challenges or appeals not otherwise allowed by law. In accordance with the Americans with Disabilities Act, all persons who are disabled and who need special accommodations to participate in this meeting because of that disability should contact the Planning and Zoning Department at 305-59-DORAL no later than three (3) business days prior to the proceeding.

NOTE: If you are not able to communicate, or are not comfortable expressing yourself, in the English language, it is your responsibility to bring with you an English-speaking interpreter when conducting business at the City of Doral during the zoning application process up to, and including, appearance at a hearing. This person may be a friend, relative or someone else. A minor cannot serve as a valid interpreter. The City of Doral DOES NOT provide translation services during the zoning application process or during any quasi-judicial proceeding.

NOTA: Si usted no está en capacidad de comunicarse, o no se siente cómodo al expresarse en inglés, es de su responsabilidad traer un intérprete del idioma inglés cuando trate asuntos públicos o de negocios con la Ciudad de Doral durante el proceso de solicitudes de zonificación, incluyendo su comparecencia a una audiencia. Esta persona puede ser un amigo, familiar o alguien que le haga la traducción durante su comparecencia a la audiencia. Un menor de edad no puede ser intérprete. La Ciudad de Doral NO suministra servicio de traducción durante ningún procedimiento o durante el proceso de solicitudes de zonificación.

Connie Diaz, CMC
City Clerk
City of Doral
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