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LIVE: Skybridge Alternatives Conference In Las Vegas

Posted By Joseph Checkler Of DOW JONES NEWSWIRES

It's rare that four of the most successful and well-known hedge-fund managers in the world are all on the same stage. But it's happening today at the Skybridge Alternatives Conference in Las Vegas. James Dinan of York Capital Management, Ken Griffin of Citadel Investment Group, Marc Lasry of Avenue Capital, and Glenn Dubin of Highbridge Capital Management are talking about their current perspectives in a panel moderated by CNBC's David Faber.

2:38 p.m. PDT: Lasry talks about how competitive hedge-fund managers are, even joking that he called up Dinan to tell him he's beating him.

2:36 p.m. PDT: Dinan says nobody on the panel is doing it for the money. Bedlam nearly ensues.

2:30 p.m. PDT: As far as changes to carried interest tax rules, Griffin says the way Citadel works, his firm is taxed at the highest rate already and probably wouldn't have much material change. Dinan correctly points out that'll probably affect private-equity managers more than hedge-fund managers, since their investments are longer term.

2:27 p.m. PDT: The Volcker rule doesn't make much sense, and won't prevent another financial crisis, Highbridge's Dubin says. Particularly, the wording in the bill about banks not being allowed to "sponsor" a hedge fund could have five meanings to five different people, and that's a big issue for Highbridge, which is owned by JP Morgan.

2:24 p.m. PDT: In the 1990s, nobody knew what a hedge-fund manager was, Avenue Capital's Lasry says. Then three years ago, it was cool to be a hedge-fund manager. "Now I tell them I'm a lawyer."

2:22 p.m. PDT: Griffin says politicians aren't good at understanding the messages sent by financial markets. Government bailouts, he says, have rewarded companies that made mistakes. "Markets used to be about rewarding good judgment," and now it's "can you guess which companies will receive" government bailouts?

2:16 p.m. PDT: Griffin observes that nobody on the panel runs a firm named after themselves. Then there's a pause, before Lasry says quietly..."I wanted to." Laughter from everyone. Especially Lasry himself.

2:15 p.m. PDT: Faber asks Citadel the formerly relevant question about hedge funds going public, and Griffin says that he thinks hedge-fund managers will go back to thinking about IPOs in a few years.

2:10 p.m. PDT: Dubin says he's much more involved in Highbridge's investment management than he's ever been. He and his co-founder had no portfolio management experience when they founded Highbridge.

2:05 p.m. EDT: Lasry becomes roughly the 3 millionth hedge-fund manager to publicly say 2008 was a year in which investors withdrew money from healthy funds like his because they became a virtual ATM. Thankfully, he starts moving the conversation away from 2008, which is good since it's currently 2010.

2:01 p.m. PDT: To Faber's question about the firm dealing with the financial crisis, Griffin jokes he has the "honor" of having had worst 2008 out of anyone on stage, down more than 50%. Same boat as Goldman and JP Morgan, he says, although no hedge fund is going to go for TARP money. Says something like 2008 will never happen there again.

1:59 p.m. PDT: Highbridge's Dubin touts firm's move in 2005 toward some more traditional asset management business as a sign that diversifying is big for the big boys.

1:54 p.m. PDT: Griffin sounds like an infomercial saying Citadel is still "attracting the best and brightest minds." Quick recap of first 15 minutes: Size does matter, say the people who are big.

1:52 p.m. PDT: Lasry says not so fast on the downplay of returns, as 10 years ago the four of them would not be sitting on stage as large managers without 20, 30, 40% type returns.

1:50 p.m. PDT: Dubin says hedge-fund investors no longer looking just for highest returns, but rather consistency across all types of cycles.

1:47 p.m. PDT: Griffin says characteristics of successful hedge funds in the future will be the same as they used to be, and says he disagrees with Dinan that creating a fund will get tougher. "I remember being single in the 1990s and telling people 'hedge fund' and they're thinking shrubs and bushes," he jokes, pointing out how far the industry has come.

1:45 p.m. PDT: Faber jokes about hedge funds becoming more like mutual fund managers, only with "higher fees," to which the crowd laughs.

1:44 p.m. PDT: Dinan says that in his 20-plus years in hedge funds, he's never seen as "murky a crystal ball" for the hedge-fund industry as there is now. But he thinks the big hedge funds will get bigger, and "one trick pony" hedge funds will become a thing of the past as hedge-fund managers become more like asset managers.

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