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PEOPLE MOVES

Lowenstein Sandler Announces New Partner in Investment Management Group

By Robin L. Barton, *Hedge Fund Law Report*

Max Karpel has joined Lowenstein Sandler as a partner in the investment management group. Based in New York, Karpel's practice will focus on the structuring and restructuring of investment management businesses and on advising family offices.

For commentary from other Lowenstein partners, see "[What Legal, Regulatory and Operational Challenges Do Single-Asset Funds Present for Managers?](#)" (Dec. 12, 2019); and our three-part series on artificial intelligence for fund managers: "[How to Use It to Streamline Operations](#)" (Sep. 5, 2019); "[Government Guidance, Service-Provider Negotiations and Risks of Bias](#)" (Sep. 12, 2019); and "[Automating the Legal Department and Maintaining Privacy](#)" (Sep. 19, 2019).

In addition to family offices, Karpel represents both established and startup hedge fund managers in forming and launching new funds. He also performs transactional work for private fund managers and family offices, and he negotiates seed deals; agreements with anchor investors; [side letters](#) with institutional investors; and employment and consulting agreements.

See our two-part series on key terms in seed deals: "[Structuring the Seeder's Interest, Key Person Covenants and Lock-Ups](#)"

(Oct. 12, 2017); and "[Consent Rights, Indemnification and Manager Buyout Rights](#)" (Oct. 19, 2017).

Before joining Lowenstein, Karpel served as chief operating officer and in-house counsel to a family office and foundation. "Having been in-house, I have a good sense of what clients are looking for from their outside counsel. I saw what makes for effective outside counsel, and that will make me more effective now that I'm back in that role myself," he said. "For example, I have been getting questions from clients about best practices, and I am able to draw on my in-house experience to answer those questions."

Insurance dedicated funds is an area in which Karpel has developed expertise. "In a nutshell, people buy life insurance or annuities from insurance companies. Those companies then invest the premiums from those insurance products into a hedge fund, which invests in different strategies. Those investments are usually on a tax-deferred or tax-free basis," he explained, adding that "insurance dedicated funds must be diversified – they cannot be invested in just one security."

For additional insights from Karpel on those funds, see "[Insurance Dedicated Funds Offer Hedge Fund Exposure Plus Tax, Underwriting](#)"

[and Asset Protection Advantages for Investors](#)” (Jul. 18, 2013). See also our two-part series “Investments by Family Offices in Hedge Funds Through Variable Insurance Policies: Tax-Advantaged Structures, Diversification and Investor Control Rules and Restructuring Strategies”: [Part One](#) (Apr. 1, 2011); and [Part Two](#) (Apr. 11, 2011).

Fluent in Hebrew, Karpel has worked with Israeli investment managers on structuring and launching hedge funds that are open to U.S. and international investors. He is also the co-founder of Israel’s first industry association for hedge funds.

“The hedge fund market in Israel is still an emerging one. Venture capital is very popular in Israel, and a lot of Israeli institutions invest in U.S. real estate funds,” observed Karpel. “Israeli hedge fund managers, however, had a banner year in 2019 and are starting to gain recognition and investor interest.”

“I have been involved in an effort to familiarize the market in Israel with hedge funds. I also represent Israeli managers seeking to raise capital in the U.S.,” continued Karpel. “Most Israeli hedge fund managers are investing globally. The next trend in the Israeli hedge fund space will be international investors allocating money to Israeli fund managers to invest within Israel.”

See [“Survey by Hedge Fund Administrator Tzur Management Highlights Growth and Characteristics of Israeli Hedge Fund Industry”](#) (Aug. 2, 2012).