

Greenspan joins N.Y. hedge fund

Former Fed chairman to advise Paulson & Co.

By Anuj Gangahar

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NEW YORK - Alan Greenspan, the former chairman of the Federal Reserve, is to become an adviser to Paulson & Co., the \$28 billion New York-based hedge fund company that achieved spectacular investment returns at the height of last year's credit crunch.

Greenspan will join the advisory board of the credit specialist investment house. Paulson will be the only hedge fund that Greenspan will work with under the terms of the agreement.

Paulson was propelled into the spotlight last year as perhaps the biggest known winner in making aggressive bets against U.S. subprime home loans. Investors estimate that its funds racked up profits of \$12 billion.

Greenspan already holds separate advisory roles with Deutsche Bank and Pimco, the asset management firm. The financial terms of the arrangement were not disclosed.

John Paulson, president of the hedge fund, said: "Few people, if any in the world, have the experience with, and depth of understanding of, global financial markets [of Mr.] Greenspan."

He said Greenspan would share his perspectives with the Paulson investment management team on the direction of the economy, assessing the potential for and severity of a recession.

Greenspan served as chairman of the Fed for 18 years until 2006. His pronouncements on the economy through regular public appearances still have the power to move the markets.

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