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Cornell Loses Second Endowment Manager Since May as Regan Exits

By Gillian Wee - Jun 18, 2011

[Cornell University](#), whose investment chief stepped down May 1, is losing its second endowment manager in two months as John Regan is leaving to start a new business.

Regan, 42, was one of two senior investment officers at Cornell's \$5.28 billion fund, which gained 19.3 percent from July through April, the Ithaca, [New York](#) school said in a statement posted on its website and dated June 15.

Regan is leaving to start Permanens Capital Advisors, an asset management firm that will seek to attract money from institutional investors. Michael Abbott, who was named chief investment officer last year after the departure of James Walsh, stepped down May 1 over differences about how to run the college's business, the school said last month.

"We are all very grateful to J.R. for his dedicated work while in Cornell's employ and deeply appreciate his many contributions to the growth of Cornell's endowment," David Skorton, the school's president, said in the statement. "We wish him every success in the new venture."

Regan is starting Permanens with Joseph Steinberg, president of [Leucadia National Corp. \(LUK\)](#) The new firm, which will also serve as a family office for Steinberg, will start investing \$300 million from July 1, Regan said in an interview.

'Doing Everything'

"We are doing everything for our first endowment client," a school in the southern U.S., Regan said in an interview yesterday, declining to name the endowment. "We are building their investment policy statement, their [asset allocation](#), their governances and their investment committee."

Permanens will invest across asset classes, Regan said.

He met Steinberg during the financial crisis, triggered by the [Lehman Brothers Holdings Inc. \(LEHMQ\)](#) bankruptcy, when they worked together on the \$21 million endowment of [Poly Prep Country Day School](#), the Brooklyn school that teaches students from nursery through 12th grade.

Leucadia's investments include a mortgage joint venture with [Warren Buffett's](#) Berkshire Hathaway Inc., a

28 percent stake in Jefferies Group Inc., a timber company in Idaho and a casino in Biloxi, [Mississippi](#). Steinberg held 9.81 percent of the company as of May 16, according to Bloomberg data.

Cornell is a member of the Ivy League of eight colleges in the northeastern U.S. As global capital markets shrunk after Lehman's bankruptcy, endowments tumbled, causing universities to cut jobs, freeze salaries and postpone building projects. Cornell lost 26 percent in the year ended June 2009, similar to declines at [Harvard University](#) and Yale University, the two richest schools.

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