



FrontPoint Endgame

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It's lights out for FrontPoint Partners.

The hedge fund giant, which has been slowly collapsing under the weight of an insider-trading scandal, is losing its last money maker, Stephen Czech, *The Post* has learned.

Czech plans to set up his own shop, Czech Asset Management, next month, just to the north of FrontPoint's current digs, sources said. Expected to go with him are about a dozen employees and the \$1.1 billion direct-lending fund he helped FrontPoint launch earlier this year.

That would leave FrontPoint, which managed \$6.5 billion last year, with no assets and just a handful of employees, sources said.

Things are so dire the firm has been auctioning off the furniture, said a person with knowledge of the situation. Dan Waters, FrontPoint's co-CEO, didn't return a request for comment.

Czech's departure caps off a long line of fund managers to jump ship, including Steve Eisman, whose high-profile bet against the housing market was featured in the Michael Lewis best seller "The Big Short."

Investors started fleeing FrontPoint following the November 2010 arrest of Yves Benhamou, a French doctor who had been advising Human Genome Sciences on a clinical trial for a hepatitis drug.

Chip Skowron, a Yale-educated medical doctor who ran several health-care funds at FrontPoint, was quickly tagged as Benhamou's co-conspirator.

Yesterday, Benhamou was sentenced to time served and three years of supervised release. US District Judge George Daniels granted the government's request to go easy on him given his "substantial cooperation" in the case.

Skowron, who lives in Greenwich, Conn., pleaded guilty and was sentenced last month to five years in the slammer for bribing Benhamou to leak the results of the drug trial.

When Czech launched his \$1.1 billion fund in January, FrontPoint hoped to stave off investor withdrawals but clients continued to flee after Skowron's arrest in April.