

A Great Combination For Wall Street

Mark Hill and George Michaels

“We’re a combination of seasoned Wall Street veterans and some of the finest talent from the top engineering schools”

It all really began back in 2001 at the \$4 billion dollar hedge fund firm Carlson Capital LLC. Located in Dallas, Texas, Carlson is where Mark Hill and George Michaels met after holding separate positions on Wall Street. George was the Chief Technology Officer while Mark was the head trader at Carlson, overseeing seven traders as well as researching and trading securities both domestically and internationally.

It was initially George’s idea to start G2 systems in December of 2005 and six months later in mid 2006, Mark joined as co-principal. “I knew there was an opportunity for a company to provide excellent technology services to Wall Street,” says George. “But I also knew I needed somebody to watch the business end of what was going on out there. I needed all my focus on the technology end of the business and Mark provided the business savvy of a veteran trader to the mix.”

“G2 is a technology consulting firm specializing in portfolio management and accounting systems. It provides programming, integration and customization expertise to hedge funds, large brokerage firms and fund administrators. We specialize in the development of custom solutions for the challenges that front, mid and back office functions face in the processing of complex securities. We’re a combination of seasoned Wall Street veterans and some of the finest talent from the top engineering schools,” said George.

As Mark says, “For me, G2 came about with the idea of taking the disciplines from trading and applying them to building a business. I had learned a great deal from many accomplished people on Wall Street and now it was time to put those lessons to work. As well, I knew and respected George from Carlson Capital and I knew the two of us could make this work.”

And, it’s a good fit. George works more closely with their

staff of engineers while Mark likes being out on the street and talking to clients, finding out where their pain points are and helping keep G2 focused on the issues of the day. When a sales opportunity comes up, they play ‘tag-team’ and simultaneously approach every problem as both a technology and a business challenge. It is this well-crafted combination that gives out clients the confidence to make G2 part of their team. Both have had distinguished careers working at some of the major names on Wall Street like Goldman, Morgan Stanley and Bear Stearns.

It’s a long way from Brattleboro, Vermont where George grew up to his rise on Wall Street. “I was the son of schoolteachers, a totally academic family, which was really the farthest thing from being entrepreneurial in nature. From an early age on, I had risk-taking described as one of the great evils of our society. Schoolteachers are all quasi-socialists and I grew up in a world where financial services was some kind of alien planet. But, I was always intrigued with working on Wall Street and envisioned one day starting a business of my own. At age 13, I wrote a stock-market simulator and then started coding back-testing infrastructure on top of it.” Prior to his stint at Carlson, George was a VP at Goldman Sachs and was responsible for energy risk management. Before that he was responsible for fixed income risk management at Tudor Investments and prior to that he worked at Morgan Stanley as an analyst in equity derivatives. He was also the manager for the equity decision support group.

George received a B.A. from Carnegie Mellon in 1988 and an M.S. from Columbia University in 1990. At Columbia, he was awarded a research fellowship at the Center for Telecommunications Research. He divides his time between the North Shore of Massachusetts and the shores of Martha’s Vineyard. When he’s not working George enjoys trap shooting, sailing, kayaking, and playing board and computer



George Michaels (left) and Mark Hill (right)

games with his children.

Meanwhile, Mark’s upbringing couldn’t have been more different. He grew up in New York City, the son of a small business owner. Sports was a big draw in his life and he played national junior golf as a teen, having a near scratch handicap by the age of 14. At the age of 20, he gave up thoughts of playing golf professionally, and focused on a trading career on Wall Street. “Golf teaches you self reliance, discipline as well as self control. It was a fantastic training ground for trading as it is very similar in mental challenges. It sure helps socially, in business, but the mental prep is very key,” says Mark.

“In fact, a great deal of my business philosophy is adopted from being involved in the ‘raider era’ of Wall Street. This essentially was the breaking up of the ol’ Boys Clubs in corporate America. Japan at the time was challenging us for world business supremacy. Our own system was able to save us from ourselves by challenging managements that were reared in a world of entitlement. My intrinsic business philosophy was molded from 13 years at BSC, working directly under the legendary CEO Ace Greenberg. What I learned at BSC under Ace, as well as Bob Steinberg (the head of risk arbitrage) they don’t teach you at Harvard Business School.

Prior to Carlson, Mark worked as a managing director at ING Asset Management, where he was a member of the

risk arbitrage unit (Taurus Capital), and he focused on special situation of investing, primarily based around extraordinary corporate actions as well as post merger investing. He subsequently built an active agency block-trading group focusing on special interest situations for many of the top hedge fund firms. Mark holds a BS in economics from the Tisch School at NYU and he divides his time between Boston, New York and Dallas where he still has strong roots. He still enjoys playing sports along with his two boys.

“G2 is on track for growth of 50% or more this year. The clients are waking up from a bad dream and they are ready to start doing business,” said George “Even in this tough economic environment. We’ve got the best engineers out there from the top engineering schools and we offer very specialized products. Our clients have stuck with us even in the worst situations and that has allowed keeping our talent even through the worst aspects of the economic storm of 2009.”

“Heading into 2010, we are ramping up our recruiting, and expanding our focus into fund administration and a new type of client, the Mainframe. We are launching a suite of products targeted into these spaces that allows a lower barrier to entry and lower cost of ownership for fund admins and mimics. There are simply no other products in the market space that cater to these specific needs of these folks, and it always feels good to be first!”

“Our proprietary backgrounds on Wall Street lifts the ‘vendor bar’ and that is very important given the steep curve of innovation in modern investing,” said Mark. “We take the same mentality from our hedge fund experiences and we apply it to the vendor model... it works. It attracts the types of people we need to execute for a very demanding clientele.”

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