

# THE WALL STREET JOURNAL.

## CREDIT CRISIS HITS WALL STREET

### The Rolodex Turns to 'R': Recruiters

By JOANN S. LUBLIN

*March 18, 2008; Page C5*

J.P. Morgan Chase & Co.'s planned acquisition of Bear Stearns Cos. stirred fear among Bear's 14,000 employees of extensive potential layoffs and prompted a flood of calls to executive recruiters.

J.P. Morgan could eliminate as much as half of the Bear Stearns work force because "there will be a lot of redundancies," said Sandy Gross, managing partner at Pinetum Partners LLC, a Greenwich, Conn. recruiter specializing in financial firms.

Ms. Gross said she and colleagues had received nearly two dozen calls from Bear Stearns executives since Friday morning. Some callers said they expected J.P. Morgan to offer them jobs, but they don't want to join such a big company, she said. She predicted layoffs in the merchant-banking group but fewer job cuts in the prime-brokerage business, as it is lucrative and J.P. Morgan isn't a big player in the area.

A person familiar with the situation said that J.P. Morgan hasn't yet assessed staffing levels and will make those determinations based on the businesses that the bank will retain, as well as the employee skills. J.P. Morgan had 180,667 employees at the end of last year.

Gary Goldstein, chief executive of Wall Street search firm Whitney Group, predicted particularly heavy job cuts in Bear Stearns's fixed-income group, excluding the mortgage group. "There's such a duplication of roles between the two firms that I can't imagine that many of the Bear Stearns people will survive this," he said.

In recent weeks, top Wall Street executives have been talking about layoffs of as high as 20% for Wall Street, which employs about 210,000 in New York State alone. If layoffs go that high, job rolls would plunge to mid-'90s levels.

Talent-poaching efforts are underway. Several hedge funds, money-management firms and investment-banking boutiques asked Michael Karp, chief executive of New York executive recruiter Options Group, to identify Bear Stearns employees they could woo away immediately, he said yesterday.