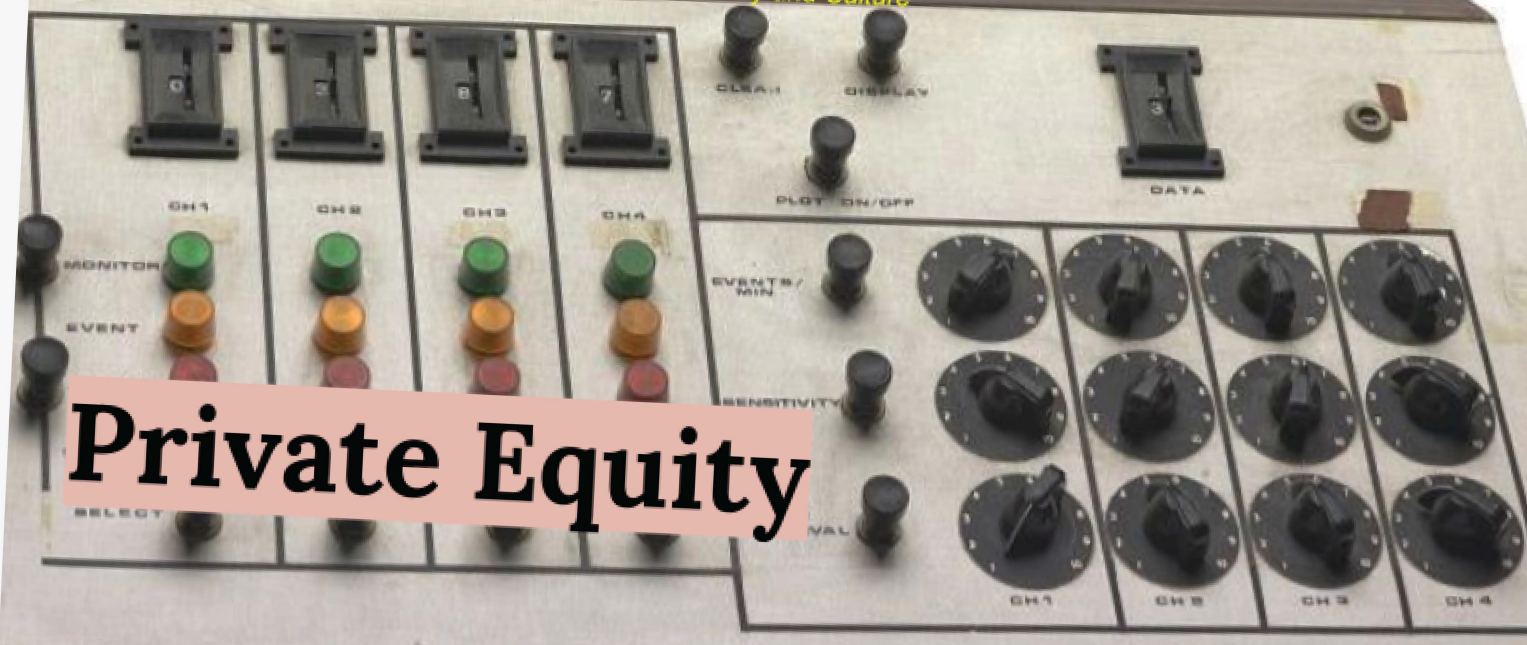


Prototype of Digital Heart Rhythm Monitor developed by Dr. Julian L. Haywood
(1966-69) National Museum of African American History and Culture



Private Equity

Professor Arewa

Syllabus
Fall 2023

W 1:50 - 3:50 PM

Antonin Scalia Law School
George Mason University

Last updated: August 12, 2023

COURSE DESCRIPTION

This course explores the role of private equity investors in global financial markets today. This course will focus primarily on venture capital funds but will also discuss buyout funds. We will discuss the structure of private equity funds, as well as private equity compensation arrangements and investment strategies.. We will also gain an understanding of private equity fund formation and private equity venture capital portfolio company transactions. We will also discuss the regulatory environment for private equity investors, including with respect to the Securities Act of 1933, the Investment Company Act of 1940, the Investment Advisers Act of 1940, and other relevant laws and regulations. We will discuss a number of other issues of current interest in the private equity arena.

Students will be required to participate in one class presentation on topics chosen by Professor Arewa related to private equity funds and transactions and serve on panel during 2 class sessions.

This course will be accessible to students with no prior knowledge of private funds.

COURSE GOALS

This class will use and further develop students' knowledge of issues related to private equity and their abilities in research on assigned current events topics, writing, analysis, problem-solving, and communication, including through required class presentations.

STUDENT LEARNING OUTCOMES

By the end of this course, students should be able to demonstrate:

- *vocabulary and knowledge of basic definitions and structures relevant in the private fund arena*
- *knowledge about the role of private funds in financial markets*
- *understanding private fund investment strategies*
- *understanding about the roles and responsibilities of lawyers in transactions involving private funds*
- *general understanding of the regulation and regulatory avoidance strategies of private funds*
- *knowledge of basic spreadsheet functionality*
- *experience with project management and teamwork skills*
- *competence in analyzing private equity data and trends*
- *competence in researching and analyzing issues and current events in private equity transactional contexts*
- *competence in written and oral communication, including short presentations*
- *experience with technologies students are likely to encounter after graduation, including Generative AI*

INSTRUCTOR INFORMATION

Olufunmilayo Arewa
oarewa@gmu.edu



Office and Office hours:

Office: Hazel 421

Office Hours:

T, W 12:30 - 1:30 (and by appointment)

CLASS MEETINGS

Days/times of meetings: W 1:50 - 3:50 pm

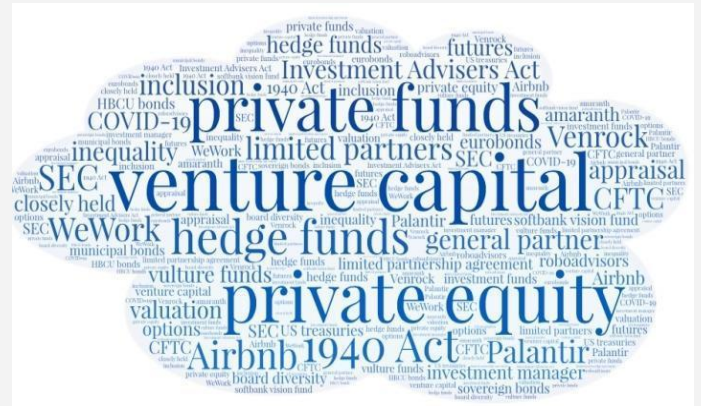
INSTRUCTIONAL METHODS

This course is interactive and involves teamwork.

Class sessions will frequently include breakout groups and will include team video presentations.

This course involves multiple points of assessment.

This course is also intended to facilitate development of skills that are beneficial in legal practice.



COURSE READINGS/MATERIALS

The required materials for this course are open educational resources and are available at no cost to students

Required Texts:

- David Snow, *Private Equity: A Brief Overview*, PEI Media (“DS”)
- Internet readings
- *You will need to access class materials through links in the Class Readings document available [here](#).*
- *We will primarily use [Google Drive](#) (you will need an invitation to access this Google Drive folder), which will be available to students after class ends*
- *Slides for each class will be posted on [Google Drive](#) (you will need an invitation to access Google Drive)*

Private Equity Background and Information

Sources:

- Lisa Lilliott Rydin, *Private Equity, Venture Capital, and Hedge Funds*, Harvard Law School Library, last updated June 12, 2023

COURSE POLICIES

Attendance & Tardiness

Class attendance is mandatory. You are expected to “arrive” on time and participate actively in class sessions.

Under [Academic Regulation](#) 4-1.1, “If a student is absent for any reason for more than 20 percent of the sessions of a course, the student is not eligible for credit in that course. A student who is not present for at least 75 percent of a session of the course is absent from that session.”

You may receive a reduced participation grade if you fail to attend class in whole or in part or are clearly not prepared, particularly when you have signed up to be on call. Students who are not prepared or who do not attend class regularly may receive a deduction from their participation grade. Attendance may be taken on a regular basis. You will not be penalized if you miss class due to interviews, illness, holidays, or religious observance, for example. If you are planning to miss class, please send me an email to let me know when you will miss class. If you miss class on a date that you are scheduled to be on panel, you are responsible for rescheduling the activities that you miss for another class session.

Academic Integrity

Your academic honesty is assumed, which means that I expect all of your submitted work to have come from your brain and your hand. If you’ve submitted the work of someone else, in whole or in part and without proper citation, I will not accept the assignment. Within academic communities, plagiarism represents a serious breach of trust and can carry severe consequences, including disciplinary action.

Further, Antonin Scalia Law School has an [Honor Code](#), which requires all members of this community to maintain the highest standards of academic honesty and integrity. Cheating, plagiarism, lying, and stealing are all prohibited. All allegations of violations of the Honor Code are to be submitted to the Associate Dean for Administration and Student Affairs. More information concerning the Honor Code is available [here](#).

Late Assignments

Any course assignments, exercises, or other materials that must be submitted to me may be subject to a penalty for lateness if submitted after the due date and time (unless otherwise

stated, all things due should be submitted by 11:59 pm Eastern time on the due date).

YOU ARE RESPONSIBLE FOR OBSERVING ALL COURSE DEADLINES AND INFORMING ME IMMEDIATELY IF YOU ANTICIPATE ANY PROBLEMS WITH ANY DEADLINES.

DISCLOSURES

Disability Statement

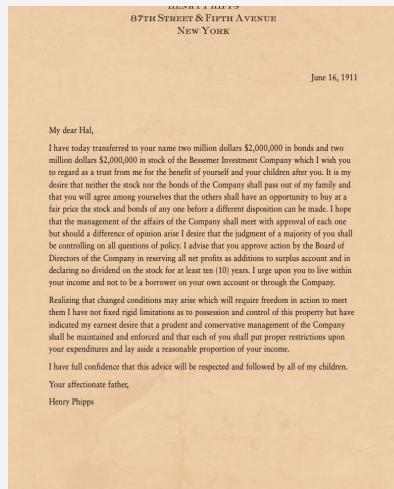
Disability Services at George Mason University is committed to providing equitable access to learning opportunities for all students by upholding the laws that ensure equal treatment of people with disabilities. If you are seeking accommodations for this class, please first visit <http://ds.gmu.edu/> for detailed information about the Disability Services registration process. Then please discuss your approved accommodations with me. Disability Services is located in Student Union Building I (SUB I), Suite 2500. Email: ods@gmu.edu | Phone: (703) 993-2474.

Class Conduct Expectations

To the extent we have any virtual classes, please mute your microphone when you are not speaking. If you have your camera on, please turn it off if you need to stand up, stretch, or make a significant movement. Feel free to turn your camera on again when you are no longer moving.

Students can expect their instructors to encourage creativity, and to be concerned for the educational experience of each student in the class, respectful of individual differences, knowledgeable and enthusiastic about course material, prepared for class, reasonably open and accessible to discuss class material and assignments, and rigorous yet supportive in maintaining high standards for performance.

Students are expected to work, individually and together, to create an atmosphere that is safe, valuing of one another, and open to diverse perspectives. Students are expected to show courtesy, civility, and respect for one another and for the instructors. Comments that degrade or ridicule another, whether based on individual or cultural differences, are unacceptable.



Recording of Class Sessions

Under [Academic Regulation 4-2.2](#), no portion of a class session or an examination may be preserved by means of a recording device such as an audio recording device or camera. Any exceptions to this policy must be expressly permitted in writing by me. However, I have authorized the Law School's official recording of all sessions solely for purposes of accommodating excused absences, e.g., for COVID-19 related issues.

Any recordings of class sessions can only be used for a student's personal educational use. Students are not permitted to copy, publish, or redistribute audio or video recordings of any portion of the class session to individuals who are not students in the course or academic program without the express permission of the faculty member and of any students who are recorded. Distribution without permission may be a violation of

educational privacy law, known as FERPA as well as certain copyright laws. Any recordings of this course made by the instructor or university are the property of George Mason University.

Technology

This class may involve use of a number of technologies, including Generative AI (GAI) and applications such as Excel, Google Sheets and Google Docs.

You may use Generative AI for all aspects of your work in this class other than the final exam.

As you consider or use Generative AI in this class, please consider the implications of GAI generally (background discussion [here](#) and [here](#)), as well as in legal contexts (background discussion [here](#)). Please also consider ways some lawyers have used or misused GAI, including as described [here](#), [here](#) and [here](#).

University Resources

University Life provides student support resources such as [Counseling and Psychological Services](#), [Student Health Services](#), and the [Student Support and Advocacy Center](#) Information about University Life on the Arlington Campus is available [here](#).

EVALUATION

Activity/Assignment	% of total grade	Due Date / Comments
1. Participation (attendance, online discussion, on call participation, other participation, problem sets)	-	Pursuant to Academic Regulation 4-3.2, adjustments of class grades may be made on account of class participation “limited to a discretionary single- increment adjustment either upward or downward (e.g., from B to B+ or from A- to B+)”
2. Class Report - Minimum of 50 words per week	5%	ongoing
3. Short Team Video Presentation	10%	You select preferred presentation slot
4. Final Exam	85%	December 7, noon

CLASS POLICIES

Course Requirements

1. PARTICIPATION

- Class attendance is mandatory
- Any problem sets will be included in your participation grade (good faith completion of problem sets is all that is required to receive credit)
- Participation will include different components, including:
 - Participation on panel (on call) -- sign up sheets available at [Google Sheets](#) (*available after our first class*) -- minimum of two panel appearances are required
 - Voluntary participation -- at any time
 - Participation in class break out groups
 - Completion of any class problem sets and exercises
 - Completion of any class quizzes
- Each student must sign up to be on call on two occasions during the semester (class panel)
- Please be prepared to answer questions and discuss class readings when you are on call

- Please be prepared to answer discussion questions listed in the course readings document
- Each student will select dates to appear on a panel that is on call for the class session.
- Panel (on call) signup sheets will be made available here: [Scalia Law PE Panel \(On Call\) and Presentation Signup Sheet--Spring 2023](#) *after our first class*
- Please be sure to let me know if you will miss class. You will not be penalized for missing class for interviews. You will also not be penalized if you miss class due to illness, holidays, or religious observance

Participation – Assessment and Evaluation: Class Panel participation and class participation outside of panel (i.e., participation when you have not signed up for panel for a particular day) will be assessed based on the following criteria:

- Preparation as evident through questions asked in class or answers to questions directed to you or both
- Presentation and discussion of any cases that you discuss during the class session
- Thoughtfulness concerning topics or cases that you discuss
- Other contributions to a class session

2. CLASS REPORT

- You must select a topic/entity relevant to course material to follow during the course of the semester
- Your selected topic should be relevant to the private equity and hedge fund arena and might include (this list gives illustrative examples and is not a complete list of potential entities):
 - Private equity and hedge fund activity in a particular region
 - Companies in a particular sector that is important for PE or hedge funds
 - A specific firm or company (this firm or company must be very active so that you have something to discuss)
 - A topic of significance in the PE or hedge fund universe
- Please select your topic by our fourth class meeting
- Our course readings document will include specific questions directed toward your topic
- You will need to keep an ongoing Class Report, preferably in either Word or Google Documents
- If possible, please use a cloud version that is shared with me
- If you do not use a cloud version that is shared with me, you will need to email me a copy of your updated entity journal every week
- No more than two students may work on the same report – two students working on the same report may (but are not required to) submit a single report for their chosen entity
- Your entity report must be responsive to any assigned questions to the greatest extent possible and should ideally be updated within one week of the class for which the questions were assigned
- You should make your report available to me or send an email with your updated entity report on a weekly basis
- Some report questions may require use of a spreadsheet application (Excel or Google Sheets are recommended to facilitate your familiarity with these applications) – you should embed your spreadsheet into your entity report
- If no specific questions are given in the syllabus for your class report, please discuss what, if any, relationship exists between the class topic for the session and your chosen entity/topic
- Please also feel free to discuss assigned class questions in your entity report
- Your report may also reflect on class readings, current events, or other things relevant to class
- Please limit your writing to a MAXIMUM of 200 words per week
- You do not need to discuss every class session in your class report
- Please try to engage with Generative AI (GAI) as part of your class report (e.g., ChatGPT, Google Bard, etc.)
 - Feel free to be creative and experimental
- In any use of GAI, please be sure to include discussion of the following:
 - How you used GAI: Briefly describe what you did and how you used GAI
 - Evaluation of your results: how was your experience? Based on your experience, how do you think GAI should be used in classroom contexts in the future?
- As you consider or use Generative AI in this class, please consider the implications of GAI in legal contexts (background discussion [here](#)), as well as ways some lawyers have used or misused GAI, including as described [here](#) and [here](#).

Class Reports: Each entity report will be assessed based on the following criteria:

- Timeliness and consistency of the entity report submissions during semester
- Relevance to questions asked
- Relevance to class topics, themes, and materials
- Substantive nature of discussion in entity report
- Clarity of discussion in entity report
- Timeliness and consistency of journal entries
- Quality and thoughtfulness or thoroughness of any discussion of current events, class activities, readings, topics or cases, and other issues

3. **SHORT TEAM VIDEO PRESENTATION**

- You must make a short video presentation with a maximum of 4 other class members (total maximum team size is 5) about one of the assigned class presentation topics
- Your video presentation must be no more than approximately 10 minutes total for any team presentation, regardless of team size
- We will look at these video presentations in class and have a class discussion about the assigned presentation topic
- Please use Zoom, VoiceThread (available through Canvas), or an application that you have discussed with me for your short video presentation
 - Please let me know ASAP if you would like to use another application for your video presentation
- These video presentations should be completed by alone or on a team with no more than 5 total team members
- Your short video presentation topic must be approved by me
- Videos on topics not approved by me will not be accepted
- Please send me a copy of your video. I will post it Google Drive and give access to all class members
- You are welcome to choose a variety of styles for your short video presentation, including a Khan Academy Whiteboard Powerpoint slide presentation, animated presentation, Instagram or TikTok style video, etc.

Short Video Presentation – Assessment and

Evaluation: Short video presentations will be assessed based on the following criteria:

- Accuracy and relevance of Information presented in presentation
- Accuracy and relevance of any information presented in any slides of written material (you are not required to use slides for your presentation)
- Relevance of information presented to broader class themes and topics
- Style and format of presentation
- Presentation style that takes account of audience
- Compliance with relevant time limit

4. FINAL EXAM

- The final exam may include a combination of multiple choice and short answer questions that will be based on class readings and material discussed in class sessions, including themes and issues discussed in class presentations
- Additional information concerning the final exam will be made available later in the semester
- The final exam will be open book (closed Internet mode)
 - Please be sure to download any materials you need for the exam from Google Drive prior to taking the final exam
- Generative AI may not be used for the final exam

Final Exam – Assessment and Evaluation: Final Exams will be assessed based on the following criteria:

- In the case of any multiple choice questions, correctness of the answer
- In the case of any short answer questions, the extent to which the answer addresses the question asked within the confines of any specified word limit
- In the case of any essay questions and answers to hypothetical scenarios, scenarios based on real-world events and other non-mathematical problems (other than short answer questions, multiple choice questions, or other types of questions identified above), the following criteria:
 - Ability to identify relevant issues
 - Identification, discussion, and analysis of laws, regulations, and other important factors relevant to the issues identified
 - Implications of discussion and analysis / Conclusions / Answer
 - Answer to question actually asked
 - Please be sure to go back and read the question frequently as you complete your answer to ensure that your answer is fully responsive to the question actually asked
 - Identification of areas of uncertainty or unknowns that might impact your discussion, analysis, and conclusion(s) of discussion and analysis
 - Compliance with any word limits

COURSE OUTLINE

Below is an overview of class topics. Please note that class topics and class readings are subject to change.

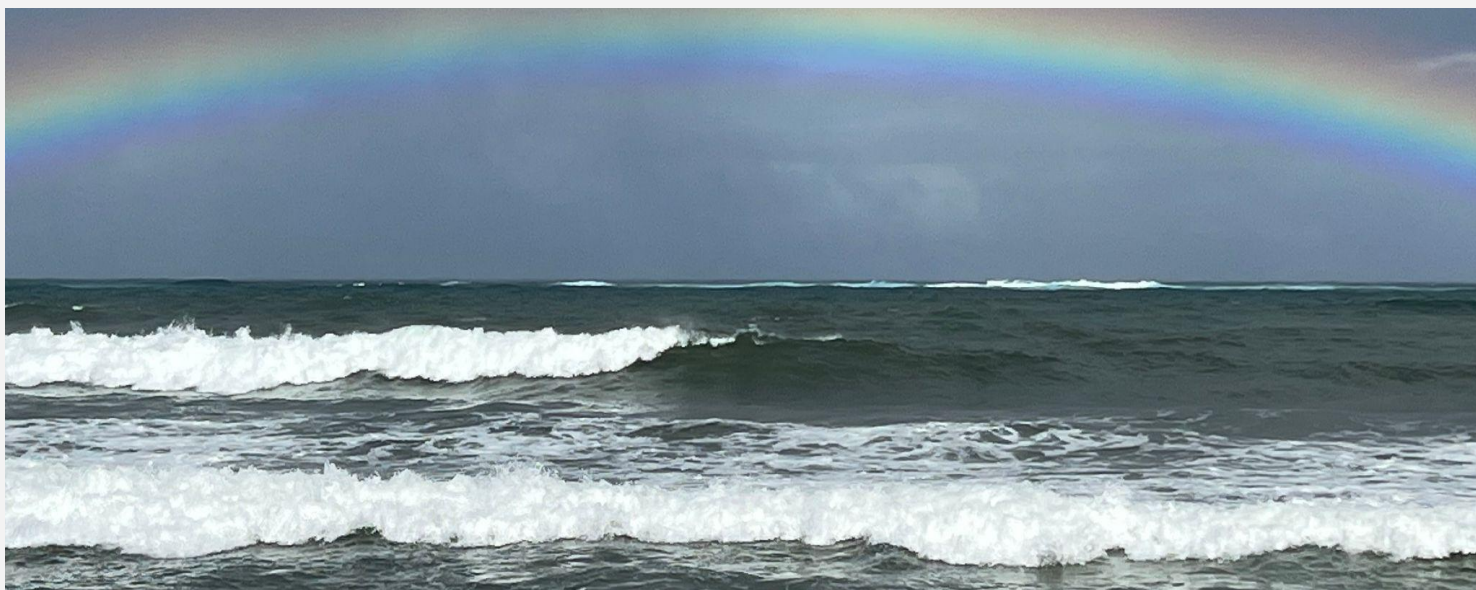
Scalia Law Private Equity Class Outline -- Fall 2023				
Class	Day	Date	Class Session Topic	Class Presentation
PART I: INTRODUCTION				
1	W	8/23	The Past, Present, and Future of Private Funds	No class presentation
PART II: PRIVATE EQUITY FUND STRUCTURES & DEMOGRAPHICS				
2	W	8/30	Private Fund Limited Partnership Agreements; Relationships between the GP and LPs	No class presentation
3	W	9/6	Private Equity Compensation	Class Video Presentation 1: Taxation of Carried Interest
4	W	9/13	Private Fund Demographics and Trends	Class Video Presentation 2: The Geography of Venture Capital
PART III: PRIVATE EQUITY FUND FORMATION, MANAGEMENT & DEALS				
5	W	9/20	Private Fund Formation, Management & Regulation I -- Limited Partnership Agreements	No class presentation We will have class guests today (via Zoom)
6	W	9/27	Private Fund Formation, Management & Regulation II -- 1940 Act and Investment Advisers Act	No class presentation
7	W	10/4	Private Fund Formation, Management & Regulation III -- Regulatory Avoidance; Inadvertent Investment Companies	No class presentation
8	W	10/11	Private Fund Formation, Management and Regulation IV -- Negotiating Limited Partnership Agreements	Class Video Presentation 3: Alumni Ventures case
9	W	10/18	PE Buyout Fund Deals	Class Video Presentation 4: Terra Firma EMI LBO
PART IV: VENTURE CAPITAL TRANSACTIONS				

Scalia Law Private Equity Class Outline -- Fall 2023

Class	Day	Date	Class Session Topic	Class Presentation
10	W	10/25	Venture Capital Transactions I -- Background; Transaction Terms and Term Sheets	Class Video Presentation 5: Venture Capital and Predatory Pricing
11	W	11/1	Venture Capital Transactions II -- Valuation and Liquidation Preference	Class Video Presentation 6: Venture Capital and Interest Rates
12	W	11/8	Venture Capital Transactions III -- Protective Provisions, Investor Rights and Board Structure	No class presentation
13	W	11/15	Venture Capital Transactions IV -- Anti-Dilution and Exits	No class presentation

COURSE SCHEDULE AND READING ASSIGNMENTS

Course reading assignments are available here: [Scalia Law PE Reading Assignments -- Fall 2023](#). Please note that class topics and class readings are subject to change. Please let me know if you have any problems with links to reading assignments. As a first step, try doing a Google search for the title of the reading listed on the syllabus if you have problems with links. Also please let me know if you have problems with links.



I look forward to working with you this semester.