Practices & Industries

Investment Management

Overview

Mastering the regulatory, compliance and formation/maintenance challenges facing broker-dealers, investment advisers (including advisers to private funds), investors in private funds and boutique investment banks requires a thorough understanding of these firms' business models and the complex and constantly evolving laws, rules, regulations and industry practices in this area. We understand the unique challenges that heavily-regulated financial firms face, in part because several members of our team have served as in-house counsel and principals for registered broker-dealers, investment advisers and hedge funds.

Our fund formation attorneys have assisted both seasoned veterans and first-time fund managers in launching successful private funds. We provide advice on pre-formation strategy, organizational structure, regulatory compliance, compensation arrangements, and prepare governance documents for investment funds of all kinds, including hedge funds, private equity funds, real estate investment funds and venture capital funds. Our attorneys also advise public pension funds and other institutional investors in negotiating and documenting their alternative investments.

We provide practical advice on handling day-to-day compliance matters, addressing new legislative and regulatory developments, and enhancing policies and procedures. Our attorneys regularly advise clients on the use of solicitors/finders, on handling conflicts of interest, and on cybersecurity and crowdfunding.

Experience

No aspect of this advertisement has been approved by the highest court of any state. Prior results do not guarantee a similar outcome.

- Represented a Connecticut-based investment management firm in connection with the formation of a differentiated open-ended, hybrid private investment fund which invests in both private investments and public equities issued as part of capital raising transactions; advised the client on the structuring of a multi-class, commitment-based private fund and the preparation of offering documents, including a private placement memorandum, limited partnership agreement, subscription agreement, and form of capital call notice for each class
- Represented Iridian Asset Management, a Connecticut-based investment management firm, in connection with the formation of Iridian Eagle Fund LP, a long-short hedge fund; advised on structuring of side pockets for illiquid investments as well as the preparation of offering documents, including a private placement memorandum, limited partnership agreement and subscription agreement, and assisted with the negotiation of a side letter with a significant institutional investor
- Represented a Connecticut-based investment management firm in connection with the formation of a long biased fund; advised the client on the preparation of offering documents, including a private placement memorandum, limited partnership agreement and subscription agreement

- Represented a Connecticut-based investment management firm in connection with the formation of a single asset real estate fund to invest in a joint venture with an Asia-based family office operating partner which manages a private investment firm specializing in equity and debt commercial real estate investments, where the fund's investors would indirectly invest in multifamily apartment buildings, the purchase of which were capitalized by a senior loan, through the real estate fund's investment in the joint venture entity; advised the client on the preparation of offering documents, including a limited liability company agreement with appendices addressing risk factors, conflicts of interest, and U.S. tax and ERISA considerations, and a subscription agreement, as well as negotiated the terms of the joint venture with the operating partner, formed a sub-advisory entity to be partially owned by the real estate fund's portfolio manager, and negotiated the terms of the portfolio manager's relationship with the investment manager
- Represented PRCE Management LLC, an affiliate of Phorcys Asset Management LLC, in connection with the formation and offering of up to $150 million worth of unsecured 3.00% variable appreciation promissory notes of Ocean Capital LLC, a Puerto Rican limited liability company and private investment fund organized for the purpose of investing in a family of Puerto Rico registered investment companies (the PR Funds); advised the client on the preparation and negotiation of the form of promissory note, note purchase agreement, subscription agreement and private placement memorandum, as well as negotiating the terms of side letters and other agreements with investors; also advised the client on a parallel private tender offer with third party shareholders of the PR Funds in conjunction with the information agent and depositary agent, providing U.S. securities advice to the client on the tender offer and responsible for the preparation of the offer to purchase (including supplements), form of securities transfer agreement, and letter of transmittal, as well as the drafting of advertising material published in Puerto Rico
- Represented a NYC-based private asset manager in connection with the negotiation of "rescue financing" for the manager's flagship fund in the amount of $100 million by strategic investors; advised the client on existing repurchase agreements with lender counterparties, negotiated the terms of the strategic investor group's investment, including negotiating the terms of side letters and prepared amendments to the existing offering documents of the onshore fund and offshore fund to establish a new share class, under extraordinary time constraints; also provided tax and structuring advice and worked closely with Cayman Islands counsel on international aspects to ensure the funds and their affiliates complied with all applicable Cayman Islands laws
- Represented Wildcat Investment Management LLC in connection with the formation of a "deal by deal" fund to invest in the capital stock of Plastiq, Inc., a fintech platform for payment services, through a series of secondary transactions with existing stockholders and/or their affiliates; advised client on the launch of the private fund, including preparing the offering documents and supplements, negotiating placement agreements, as well as the terms of a side letter with a major investor; structured the secondary transaction, including negotiating the letters of intent and securities purchase agreements with existing stockholders and the terms of various ancillary agreements, including investment representative and marketing agreements; and provided tax advice on the secondary transaction to ensure tax optimization for the parties
- Represented a community bank in connection with the sale of its broker-dealer and investment adviser subsidiary
- Represented a boutique investment bank with engagements for advisory and capital-raising activities and development of an online platform to facilitate private placements
- Represented a New York-based wealth management business in its sale to an SEC-registered investment adviser
- Represented employees of a registered investment adviser in connection with those employees' purchase of the investment advisory business
- Represented a registered investment adviser in connection with the formation of an investment vehicle for U.S. investors to access its Cayman-based master trust investment company
- Represented the acquirers of a full-service broker-dealer and affiliated proprietary trading platform in connection with identifying and remediating regulatory and compliance issues, and repurposing the broker-dealer to act in an institutional rather than a retail capacity
- Represented the organizers of a de novo private bank in connection with the organization and chartering of the bank, and ongoing advice to the private bank's investment adviser and broker-dealer affiliate on regulatory and compliance matters

- Represented a New York- and Hong Kong-based fund manager with the launch of a wine investment fund, including establishment of a BVI master-feeder structure
- Represented an activist hedge fund manager with the launch of an equity long/short fund, including establishment of a BVI master-feeder structure