SHULMAN ROGERS

Investment Funds

Shulman Rogers is an area leader in the formation of private funds. The attorneys in our Investment Funds Group represent fund sponsors, general partners, managers and investment advisers on all aspects of the legal, regulatory and tax issues of concern to many types of private investment funds, including:

- Private equity funds
- Real estate funds
- Venture capital funds
- Funds-of-funds
- Debt funds
- Opportunistic funds
- Foreign funds

In addition to advising clients on fund structures, negotiating business and legal terms and drafting all of the fund documents, we also provide advice on key issues relating to the operation of the general partner, manager and investment adviser entities (including carried interest splits, vesting arrangements, management and control of the entity, key person departures and regulatory matters). Our significant experience, market awareness and judgment allow us to provide an unsurpassed level of insight and guidance on all issues pertaining to private funds, from the routine to the extraordinary. Our reputation for client service is second to none.

An integral part of our practice entails representing investors in private funds. From high-net-worth individuals and family offices to fortune 400 corporations and global funds-of-funds, our clients rely on us to provide expertise on a wide array of matters pertaining to investment terms, transparency, fiduciary obligations and overall risk mitigation. Our attorneys have market savvy and are prudent in our approach to the review and negotiation of fund investments. We provide a full complement of services that are instrumental to investor-side representation and have the expertise and experience to represent investors throughout a fund's life cycle. No engagement is too big or too small for us to manage efficiently and effectively for our clients.

Our broad-based representation of private fund sponsors and investors affords us a deeper understanding of issues relevant to private funds and gives us a broader industry perspective. This perspective makes us more effective collaborators with our clients, team members and networks.

Fund Formation and Maintenance

Our team delivers valuable knowledge and insight on the relevant tax, legal, business and regulatory issues that arise during the life of a fund. We regularly provide advice to fund managers on structural issues that dictate whether investment funds they manage should be established in the U.S. or offshore, whether registration will be required under U.S. securities laws, and whether investments will be permitted and facilitated for government-sponsored benefit plans and benefit plans governed by ERISA or similar laws. Our decades of experience assisting clients navigate key person departures, commitment defaults and other extraordinary events affecting funds makes us valued partners throughout a fund's life cycle.

The services we offer are extensive and continue to expand as we anticipate and respond to changing client needs, new laws and regulations, market practice and global events. Representative engagements include:

- Represent venture capital fund manager in connection with formation of investment funds with a novel incubator-like structure
- Represent a private equity fund-of-funds formed to make investments in other premier private investment funds
- Represent a real estate sponsor in connection with the formation of its third investment fund
- Represent investment manager in connection with key person departures
- Represent investment adviser to venture capital fund and affiliated entities in connection with formation of fund and acquisition and transfer of warehoused investments
- Represent seed-stage venture capital firm focused on Environmental, Social and Governance investments to combat climate change in connection with maintenance of existing investment funds
- Represent sponsor in connection with formation of special purpose vehicle to invest in a high-profile media, entertainment and technology company

Investment Adviser Representation

As a part of our funds practice, we regularly counsel investment advisers to private equity, venture capital, real estate and other private funds regarding registration requirements and available registration exemptions, ongoing regulatory compliance, examinations by the Office of Compliance Inspections and Examinations of the Securities and Exchange Commission ("OCIE"), state examinations, and related matters. Where exemptions are unavailable or if registration is advisable for other reasons, we assist our investment adviser clients with all aspects of the registration process, including, among other things, by preparing and filing Form ADV, drafting the client's compliance policies and procedures and code of ethics, responding to questions posed by the Securities and Exchange Commission Staff or state securities commissions and preparing investment advisory agreements. Following registration, we provide advice regarding filing, disclosure and other regulatory requirements, fiduciary standards, related party transactions and other conflicts of interest, expense allocations, adviser compensation, regulatory examinations and other matters.

Below is a short summary of representative investment management engagements with adviser clients.

Registered Adviser Representation

- Represent investment adviser in connection with state registrations and related compliance matters
- Represent investment adviser in connection with disclosure of outside activities and related conflicts of interest on Form ADV
- Represent investment adviser in connection with disclosure deficiencies of certain of its registered investment adviser agents
- Represented investment adviser to real estate funds in connection with an examination by OCIE, including drafting and reviewing responses to several rounds of comments and questions posed by OCIE
- Represented adviser to real estate funds by providing advice regarding fees, conflicts of interest, expense allocation and disclosure related to such matters
- Represented adviser to a series of large investment funds in connection with year-long examination by OCIE
- Represented investment adviser to investment funds in connection with a merger of the advisory firm, which constituted an assignment of client

relationships under the Investment Advisers Act of 1940 and necessitated a wholesale revision of the firm's governance documents, obtaining consent from the adviser's clients, an amendment to Form ADV and an update of the client's compliance policies and procedures
- Represented advisers to investment funds in connection with the initial registration, including drafting and reviewing Form ADV, compliance materials, codes of ethics and investment advisory agreements
- Represent global adviser to multiple private equity funds and separate accounts in connection with ongoing regulatory compliance, including advice on amendments to Form ADV and Form PF, conflicts of interest, investment allocations and related policies, expense allocations and other matters as they arise

Exempt Adviser Representation

- Represent advisers to real estate funds in connection with investment adviser status and available exemptions
- Represented exempt reporting adviser to real estate fund in connection with amendments to Form ADV
- Represented advisers to venture capital funds in connection with analysis of availability of the venture capital fund adviser exemption
- Represented advisers to private investment funds in connection with initial filing of exempt reporting adviser registration on Form ADV
- Represented investment adviser that relies on the family office exemption by providing advice to the adviser with respect to permitted clients, conflicts of interest, staffing issues and other matters
- Represented institutional clients in connection with their investments with investment advisers that claim exemptions under the Investment Advisers Act of 1940 by performing extensive legal due diligence of the advisers

Investor Representation

An integral part of our funds practice involves representing business entities, funds of funds and other institutional investors, family offices and high-net-worth individuals in connection with their investments in private funds. Our keen knowledge of the market, legal prowess and pragmatism enable us to provide excellent representation to small, mid-size and large investors, irrespective of their perceived negotiating leverage. Representative engagements by investors include:

- Represent owner of $1.5 billion portfolio of assets in connection with the syndication of and investment in infrastructure projects through various special purpose vehicles
- Represent global multi-billion dollar fund-of-funds in connection with investments in funds throughout Asia
- Represent S&P 400 company in connection with venture capital fund investments
- Represent high net worth individual investors in connection with investments in a wide array of investment funds
- Represent investment groups in connection with collective investments in private funds and portfolio companies

Investment Group Representation

Investment groups and individuals who seek assistance in structuring and forming investment groups frequently contact us for legal, tax and regulatory advice relevant to the establishment and operation of their groups. The services we provide to investment groups include:

- analyzing which, if any, securities laws apply to the group and its founder
- drafting and negotiating membership agreements
- counseling on issues pertaining to control and governance
- creating compensation structures for designated members of the investment group
- drafting organizational and governance documents for special purpose vehicles
- providing advice in connection with the groups' investment and disposition transactions, including legal due diligence

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Results

Venture Capital/Private Equity

• Represented sponsor of $45 million venture capital fund that invests in early stage startup companies that aim to make city life better, with a focus on core city or "urbantech" sectors.

• Represented sponsor of multiple venture capital funds and SPVs (aggregating over $50 million) that invest in early stage skin health businesses.

• Represented sponsor of multiple hybrid private equity/venture capital funds (aggregating over $100 million) and SPVs that invest growth capital opportunistically in businesses in all industries.

• Represented sponsor of $50 million venture fund/accelerator that invest in cybersecurity and data privacy businesses.

• Represented sponsor of $65 million private equity fund focused on businesses in the federal services sector.

• Represented sponsor of a series of $50 million hybrid real estate/venture capital funds that invest real estate assets and middle stage operating companies.

• Represented platform sponsor providing investors with access to early-stage private companies funded by institutional investors.

• Represented platform sponsor providing investors with access to early stage cannabis companies.

• Represented sponsor of global, opportunistic, early stage technology venture fund focused on logistics, healthcare and fintech.

• Represented sponsor of $75 million fund of funds focused on investing in first-time fund managers in private equity/venture capital.

• Represented national bank as LP investor in multiple private equity funds.

Real Estate

• Represented sponsor of $100 million private real estate fund focused on manufactured housing communities.

• Represented sponsor of $50 million private real estate fund focused on limited service hotel assets.

• Represented municipal retirement fund in establishment of a $350 million joint venture real estate investment fund with a broker-dealer.

• Represented sponsor of multiple private real estate funds ranging from $40-$75 million of assets with a multi-class, opportunistic investment strategy.

• Represented sponsor in $10 million real estate fund focused on high-end single family home development.

• Represented sponsor of $20 million private real estate fund with a multi-class, opportunistic investment strategy.

• Represented sponsor of multiple hybrid private equity and real estate funds ranging from $10 million to $50 million of assets.

• Represented hard money investment platform in a $100 million debt fund focused on mortgage loans and borrower dependent notes.

• Represented sponsor in $25 million hard money debt fund.

• Represented sponsor of $50 million private real estate real estate fund with multi-asset, opportunistic investment strategy.

• Represented sponsor of $50 million private real estate fund focused on retail shopping center assets.

• Represented sponsor of a series of $15-$40 million syndicate funds (e.g., one fund per investment) that invested in commercial real estate in the DC area.

Hedge Funds

• Represented long-only fund using an advanced deep learning model combined with proprietary natural language processing (AI).

• Represented $9 billion funds of funds adviser with respect to the establishment of an in-house subadvisory platform.

• Represented Australian adviser in U.S. offering of commodity pool fund.

• Represented funds of funds adviser with respect to beta replication fund.

• Represented UK adviser regarding master-feeder distressed debt fund structure.