StradleyRonon

Private Investment Funds

In a time of dramatic innovations in fund formation and ever-changing levels of regulatory oversight, funds and their sponsors need guidance from legal counsel who can offer sophisticated, comprehensive and effective advice. Our private investment funds lawyers provide both fund sponsors and institutional investors with practical, high-quality service, including creative structuring, regulatory and tax guidance; advising on management and operations throughout a fund's life cycle; providing legal due diligence; advising on market practices; and negotiating side letters.

Our Multifaceted Approach

Taking an integrated, multidisciplinary approach, we combine the resources of our nationally recognized investment management practice with hedge, private equity and venture capital fund lawyers who focus on securities, commodities, derivatives, corporate, real estate, structured finance, tax and Employee Retirement Income Security Act (ERISA) matters to provide comprehensive and seamless service.

Leveraging prior regulatory and in-house experience at the U.S. Securities and Exchange Commission (SEC) and Commodity Futures Trading Commission (CFTC) and in risk, legal compliance and operations, our firm provides counsel to both private fund sponsors and institutional investors honed by a wealth of experience in the private funds space.

Our Services

Comprehensive Strategies

Our client representations have focused on a wide variety of strategies, including:

- Absolute return
- Artificial intelligence (AI)-focused businesses
- Commodities and derivatives
- Crypto
- Emerging markets equity and debt
- Funds of funds
- Global
- Healthcare and biotech
- International fixed income
- Investment-grade municipal securities
- Long-short

- Managed futures
- Multi-strategy
- Municipal securities
- Private credit
- Private equity
- Real estate
- Securitization vehicles
- Senior bank loans
- Small- and micro-cap equity
- Special purpose vehicles (SPVs) investing in single startups
- Structured credit
- U.S. equities
- Venture capital
- Venture capital plus crypto

Private Fund Sponsors

We represent fund sponsors of all sizes, from large, institutional global money managers to small, entrepreneurial investment advisers. Our experience includes the full range of legal services to fund sponsors, such as investment advisers, general partners and managing members, banks, and brokerage firms in the formation, structuring, operation and governance of private investment funds, both in the United States and offshore. We advise on custody topics including negotiations with custodians both domestic and global as well as compliance with the SEC's custody rule, such as for complicated organizational structures, venture capital platforms and crypto funds.

In addition, our general partner, private credit and special situations representations offer proven legal counsel in the areas of challenged debt and/or equity investments, general partner dispute resolution, investor dispute resolution, restructuring or liquidating existing investments, custody and disposition of assets in sanctioned jurisdictions, and structuring strategic investments or seeding funds.

Our fund formation and adviser regulatory counseling includes:

- Creative and flexible fund structuring advice, including domicile selection, master-feeder arrangements, parallel funds, alternative investment vehicles (AIVs), series LLCs and series limited partnerships, and issuers of tokenized securities.
- Preparation of fund organizational documents, private placement memoranda, subscription documents and investment management agreements; reviews of pitch decks; drafting side letters; and preparing compliance manuals.
- Regulatory and ongoing compliance advice related to the federal securities laws, commodities laws, Volcker Rule topics, anti-money laundering and know-your-customer rules, Financial Industry Regulatory Authority (FINRA) rules and other regulatory restrictions.
- "Onshoring" offshore managers who want to establish a U.S. presence.
- Assisting with SEC inspections and other regulatory examinations, handling internal investigations, and advising on high-stakes enforcement matters.
- Structuring advice related to the general partner or management company of private investment funds.
- Federal and state tax analyses and advice on tax strategies.
- Reviewing and negotiating agreements with custodians, prime brokers, futures commission merchants, administrators, auditors and other service providers to private investment funds.
- Reviewing and negotiating a wide variety of trading agreements, including agreements for trading over-the-counter instruments such as swaps, bank loans, foreign exchange forwards and repos, and exchange-traded derivatives.

- Preparation of regulatory filings, including, but not limited to, Form D, state blue-sky filings, entity formation/qualification in various jurisdictions, CFTC/National Futures Association (NFA) filings related to commodity pool operator and commodity trading adviser registration or exemption, Form PF and Form ADV.
- Transactional advice related to private equity and venture capital investments in equity, debt, loans, real estate and other assets.
- Asset management mergers and acquisitions.
- Advising on Section 351 conversions of private funds to interval funds or tender offer funds and open-end funds including exchange-traded funds (ETFs), including preparation of the transaction-related and board documents.

Institutional Investors

Guiding institutional investors in evaluating private fund investments, we represent banks, trusts, endowments, foundations, corporations and family offices seeking guidance on their investments in various types of private funds.

We advise our clients on the unique attributes of hedge funds, private equity funds, funds-of-funds, real estate funds, venture capital funds and crypto funds, and have successfully negotiated investments in excess of $4 billion for our institutional investor clients, including preparing detailed reviews of fund terms, comparing those to market terms, negotiating side letters, and advising on how to complete particular subscription agreement items. We assist acquirers of fund interests, or secondaries, from existing investors, as to both regulatory and commercial aspects.