

SERVICE

Venture Capital & Private Equity



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Posternak's Corporate Group participates in all aspects of venture capital and other types of private equity transactions, providing companies, investors, and entrepreneurs with a broad range of advice and representation in transactions including start-up financings, venture capital financings, leveraged buyouts, investment fund formation and institutional investment in funds.

WE ASSIST ENTREPRENEURS AND EMERGING COMPANIES.

For entrepreneurs and emerging companies, we provide advice concerning the financing process itself, financing alternatives, structuring of the entity, initial capitalization by founders, employee ownership arrangements, and negotiating terms of "seed," "angel," and various series of venture capital financings. Because of our long-standing connections with numerous financing sources, we are frequently in a position to introduce clients to sources of capital where appropriate.

WE REPRESENT TOP-TIER VENTURE CAPITAL FIRMS.

Posternak has served as investor counsel to a number of top-tier institutional venture capital investors in the negotiation and documentation of venture capital investments. These often involve convertible preferred stock, subordinated debt and warrants, and other start-up and follow-on financing transactions.

We participate in all stages of the financing, from negotiating the initial term sheet through drafting the Securities Purchase Agreement, Stockholders Agreement and Investor Rights Agreement. Often this requires the coordination of the terms of the new financing with the rights granted in prior rounds. Our attorneys participated in the drafting of the National Venture Capital Association's standard form documents.

WE HANDLE CORPORATE VENTURE INVESTMENTS.

Some of our more challenging transactions have involved financings provided by “corporate partners” where, in addition to the equity investment, there is a technology transfer or license agreement between the parties. These involve complex negotiations to ensure that the technology rights granted by a company do not restrict its ability to grow its core business.

WE HAVE AN EYE ON YOUR EXIT STRATEGY.

For more mature businesses, Posternak assists in the negotiation of lending transactions with institutional lenders, ranging from secured revolving credit and term loan facilities, to tax-oriented equipment leases, to mezzanine debt or other debt-with-equity features. Our strong mergers and acquisitions and securities practices allow us to guide corporate and investor clients to a successful exit.

WE ARE ACTIVE IN PRIVATE FUND FORMATION.

Posternak is also actively involved in private equity fund formation on behalf of private equity firms and institutional investors. We have organized venture capital, fund-of-funds, buyout, real estate and hedge fund investment vehicles for several successful firms, negotiating terms with institutional, benefit plan and tax-exempt investors. We have also negotiated on behalf of a number of general partner management teams in moving to or founding new firms.

On the investment side, we have represented institutional investors in making over \$1 billion of investments in almost 100 private equity funds, including many of the world’s top-tier funds.