

## Debt and Equity Financing

### Practices and Industries

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#### PRIMARY CONTACTS

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Our Private Equity Practice attorneys have decades of experience assisting our private equity clients, whether individuals, funds, portfolio companies or institutions, with the myriad financing options that they might seek to access. This experience spans the entire financing continuum, including private securities offerings, convertible note and preferred stock offerings, mezzanine and subordinated debt facilities, bridge facilities, DIP financings, first and second-lien debt, secured and unsecured financings of all kinds, high-yield debt structures and virtually everything in between.

Our global experience with everything from the most basic to the most complex financings gives our clients access to a unique asset. As a team we are able to deliver our clients consistent results in the most efficient way possible.

#### Early-Stage and Venture Capital Investments

We regularly assist venture capital funds, angel investors, and start-up and emerging companies in structuring, negotiating, documenting and closing transactions enabling growth and capital formation through venture capital transactions. Our representations generally include:

- Proper business entity selection
- Addressing preferred investor rights
- Dealing with the contractual rights and obligations of founders
- Designing stockholder agreements and incentive plans that align goals and properly compensate performance
- Laying the groundwork for IPOs and other exits
- Managing and maximizing the value of intellectual property

Our experience in venture capital transactions has involved starting and emerging companies in virtually every industry including the aviation, electronic, energy, technology, manufacturing, distribution, food service and entertainment industries.

#### Mezzanine and Growth Stage Investments

We represent clients involved in mezzanine transactions and have extensive experience with private investments in equity, subordinated debt and convertible securities, representing investment funds, bank-affiliated private equity and mezzanine groups, corporate strategic investment programs and other institutional investors. We assist clients with the negotiation and documentation of complex debt, equity and convertible securities, warrants and other equity kickers, stockholders agreements, and subordination and inter-creditor agreements.

We are involved in our mezzanine clients' transactions from initial investment to exit, through operational issues, add-on acquisitions, debt and equity restructurings, sales to strategic or financial buyers, recapitalizations and initial public offerings. Our experience includes a broad range of industries, from manufacturing and distribution to business services, real estate, technology, software, information services and new media.

As a result, we are also versed in the highly complex tax issues that are presented by different structures for both the borrower and the lender, including unique tax issues raised by mezzanine financing terms such as the rules related to Original Issue Discounts (OID), Unrelated Business Taxable Income (UBTI) and Applicable High Yield Debt Obligations (AHYDO).

## **Later Stage Capital**

The senior, second-lien debt and acquisition finance experience of our Private Equity Practice is impressive, as we regularly represent some of the most active financial sponsors, money center lenders and investment banks in the world.

## **High-Yield and Debt Securities**

Members of our Private Equity Practice are involved in a large number of below investment grade, structured, mezzanine and other high-yield debt security transactions. Whether our client sees high-yield product as more akin to debt or equity, we have the attorneys and experience to approach each transaction separately and uniquely such that the client's objectives are achieved.

Our Private Equity Practice team also includes experts from our Business and Restructuring and Reorganization group and, as such, we work closely together with clients to structure their offerings, amendments, restructurings or workouts to achieve a result that will withstand the most trying conditions.

## **Subscription Lines**

Both fund managers and lenders regularly engage us to work with them to structure and deploy subscription lines of credit that take into account current market factors, each fund's institutional investors and the latest legal issues.