

## Craig Unterberg, LeAnn Chen Co-Author Chapter for 2019 Finance Guide

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April 17, 2019 Craig Unterberg, LeAnn Chen

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**PRACTICES** Margin Lending and Structured Equity, Finance, Fund Finance

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Haynes Boone Partners [Craig Unterberg](#) and [LeAnn Chen](#) have co-authored a chapter in the International Comparative Legal Guide's (ICLG) 2019 treatise on international lending and secured financing laws.

Published by the Global Legal Group, the book deals with common issues in lending and secured finance laws and regulations — including guarantees, collateral security, financial assistance, margin financing, syndicated lending/agency/trustee/transfers — in 51 jurisdictions worldwide.

Craig and LeAnn are partners in Haynes Boone's Finance Group, which has developed a leading practice focused on structuring margin loans and fund financings. With more than 50 lawyers, spread among the firm's domestic and overseas offices, the Finance Group, handles a wide variety of financial transactions that fit the business needs of its clients, which include investment banks, commercial lenders, regional banks and other financial institutions, investment banks, non-bank credit companies, domestic and foreign borrowers, vendors, financial sponsors, private equity funds, hedge funds, venture capital funds and other investment funds.

Craig and LeAnn's chapter in the ICLG guide is titled: "Margin Loans: The Complexities of Pre-IPO Acquired Shares."

Here is an excerpt:

Investors that acquired shares of an issuer prior to its IPO ("*Pre-IPO Acquired Shares*") may want to monetize their investments in those companies post-IPO by obtaining margin loans rather than divesting their positions. There are many banks and other lenders willing to provide such financing, since such loans are secured by highly liquid collateral, i.e., the publicly traded securities that may be quickly sold in the open market. There are, however, many legal and contractual issues that need to be addressed in structuring a margin loan secured by Pre-IPO Acquired Shares, such as registration requirements under the Securities Act of 1933 (the "*Securities Act*") trading restrictions under the Securities Exchange Act of 1934 (the "*Exchange Act*"), margin regulations under the Federal Reserve Act and on top of all those, contractual restrictions among private parties. This article analyzes certain significant legal and contractual issues in the United States in structuring a margin loan with the focus on one critical issue: *what actions should a lender take on the front end to be in the best position to quickly sell Pre-IPO Acquired Shares that are subject to legal and contractual restrictions in a foreclosure scenario?*

To read the full chapter, click [here](#).