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## Private Equity/Venture Capital

### Private Equity

Steptoe & Johnson LLP provides efficient and cost-effective legal representation of venture capital funds and other investors, including government agencies, on their domestic and international investments. Our experience structuring a variety of equity and debt instruments enables us to proactively advise our clients as they consider potential investments.

Besides advising venture capital funds in their investment and portfolio companies, we also represent them in their fundraising efforts. Our close work with numerous emerging growth companies means that our venture capital and other investment clients respect our advice on a wide range of legal and business issues affecting their portfolio companies.

We have substantial experience in the formation, capitalization, and operating activities of domestic and international private equity investment funds operating in the United States, the United Kingdom, and in many emerging markets, including Asia, Africa, Latin America, the former Soviet Union, Eastern Europe, the Caucasus, and the Middle East. We have extensive experience with the full range of fund formation documents, management and advisory agreements, parallel funds, co-investment and non-compete arrangements, and related documents.

For many years, we have assisted a cross-border lender that leverages a family of independently managed private equity investment funds. Our work has embraced the formation, financing, and administration of more than a dozen such funds that have deployed billions of dollars in private equity capital around the world.

We also represent a number of domestic and foreign private equity investment funds active in infrastructure and other sectors. Our work has ranged from assisting foreign private equity investors acquire substantial operating business in the United States to advising such investors as to the purchase and sale of substantial minority interests in infrastructure businesses operating in the power, water, telecommunications, petrochemicals, transportation, and related sectors in many countries in Latin America, Asia, and Europe, as well as in the United States and elsewhere.

We advise a number of strategic equity investors that participate in the private equity business as limited partners, through parallel investment funds, and as sponsors and co-investors in regional and specially targeted investment vehicles. Our clients include multilateral financial institutions, financial institutions, and insurance companies, as well as charitable and other tax-exempt organizations.

## Private Equity/Venture Capital

Our private equity clients also include start-up and developing companies that have attracted funding from domestic and international private equity investment funds. We advise these clients as to the full range of their business activities, including the negotiation of securities purchase and shareholder agreements surrounding private equity and venture capital investment, intellectual property, tax, Employee Retirement Income Security Act, employment, and other areas. Our portfolio company clients are active in aerospace, telecommunications, software development, and other sectors.

Step toe represents portfolio company issuers, private equity investment and venture capital funds, lead limited partners, and lenders in this dynamic market segment. We advise emerging companies in a wide range of business transactions, including raising capital through equity and debt offerings, joint ventures, mergers and acquisitions, start-up and formation activities, intellectual property issues, and operational and commercial matters. We also assist private equity and venture capital firms in structuring common and preferred stock equity and debt investments. Our practice extends beyond domestic financing into inbound and outbound investment in a wide range of cross-border equity and quasi-equity transactions. We draw on the prior general counsel and investment banking experience of several of our partners to provide knowledgeable and fresh insight into the opportunities and issues facing participants in private equity and venture finance.

### Venture Capital

We advise emerging growth companies, both public and private, on a variety of legal and business issues. The firm reviews business plans, provides introductions to venture capital funding sources, and guides companies through intellectual property and employment law issues, while also providing a full range of contract review, corporate governance, and compliance solutions.

Our attorneys assist emerging company clients in all aspects of their day-to-day business activities, ranging from initial start-up advice and formation activities to representing clients on a wide range of operational and commercial matters integral to our clients' businesses. Attorneys active in such matters routinely assist clients in:

- Incorporating and qualifying a client to conduct business in the chosen jurisdiction(s).
- Collaborating with colleagues in other practice areas in advising on intellectual property, tax, employment/labor, regulatory, real estate, and other matters relevant to the client's business.

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- Structuring, negotiating, and documenting diverse commercial transactions and arrangements, including:
  - Services agreements, pursuant to which a client provides or purchases services of various sorts, including telecommunications services, software development services, and operations and maintenance, and other technical services.
  - Sale/purchase agreements for the purchase or sale of particular goods.
  - Intellectual property licensing agreements on behalf of licensors and licensees.
  - Cooperative research and development agreements, to enable clients to gain access to the resources and facilities of major universities and US government research institutions.
  - Employment agreements, to define professional relationships, deliverables, incentives, and recourse mechanisms as between a client and its employees.
  - Lease agreements, whether for real property or technical facilities.

Representative clients of the firm in such matters include telecommunications, software and other high technology, manufacturing, heavy industrial, pharmaceutical, and biotechnology companies.

### Representative Matters

#### Private Equity

- A venture capital fund in its Series A investment in a government contractor.
- An US government agency in connection with its project finance and investment lending activities in over 25 countries.
- An US government agency in connection with its guarantee of \$42 million in debt financing to a leveraged equity investment fund for venture capital projects in Eastern Europe.

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- Two major private equity infrastructure funds in connection with the acquisition of significant equity interest in one of the largest foreign-owned independent power developers in Asia.
- Major US air freight carrier in due-diligence investigation and acquisition of equity interest in Asian national airline.

## Venture Capital

We have counseled a healthcare client in structuring, negotiating, and documenting the sale of its healthcare division in return for all of the outstanding stock of a company engaged in the health information services business.

Additionally, we have represented the following clients:

- A telecommunications company in a \$58 million second-round financing of preferred stock and convertible debt.
- The underwriter of an initial public offering of common stock by an online retailer.
- A Voice over Internet Protocol (VoIP) provider in its Series A financing.
- A government contractor in its Series B financing.
- A media company in an \$83 million initial public offering of common stock.
- A healthcare company in a \$25 million public offering of common stock.
- A client in connection with a private offering of stock and convertible debt and other financing transactions aggregating over \$20 million.
- A company in its acquisition of a clothing manufacturing business for approximately \$50 million.
- A client in its joint venture with a major US chemical company to build and operate a state-of-the-art thin video film manufacturing business in Luxembourg and to market the new product throughout the world.
- A government contractor in its acquisition of a government contractor for \$16 million.

## Private Equity/Venture Capital

- A client in the data entry business in its acquisition for \$42 million.
- A defense contractor in its acquisition by another defense contractor for \$140 million.