

START-UP COMPANIES: Formation and Financing

3

Credits

Professor John Orcutt

Fall Semester

Eligibility: Open to all but first-year students – Limited to 50 students

Prerequisites: None

Grading: Grades will be based on homework assignments (primarily contract/document drafting and other practical exercises), negotiation exercises and an open book final examination.

This course will walk students through the formation and early round financings of a start-up company. This course will cover: (a) the mechanics for forming a corporation (including drafting of the formation documents); (b) the basics of start-up financings; (c) federal securities laws relating to private placements of securities and how to structure a start-up financing in compliance with such regulations; (d) the drafting and negotiation of the core legal documents involved in a typical start-up financing; and (e) the ability to resell restricted securities purchased in a start-up financing. In order to place the lessons taught in context, a hypothetical start-up company will be used and students will be required to take this company through the various stages taught in the course. The approach for this course is heavily weighted towards the practical, with students taking on the role of deal attorneys. This course will involve a combination of lectures, group discussions, negotiation exercises and graded homework assignments. Active class participation is a critical component of this course.