

[Header]: Investment Management

As the economy recovers from the 2008 financial crisis, the alternative investment industry has emerged as a serious avenue for long-term investment. Pryor Cashman provides comprehensive legal representation to new, emerging and established investment funds, advising on strategies and structures that maximize their market potential. With first-hand knowledge of fund operations and experience representing several large fund managers, we are fluent in the organizational frameworks that complex hedge fund groups employ and the issues that concern them. We anticipate the issues new managers will face and respond nimbly with creative solutions.

What We Do

Our Investment Management lawyers address the legal and regulatory issues impacting the formation, structuring and operation of domestic and offshore alternative investment vehicles, such as:

- hedge funds
- venture capital funds
- private equity funds
- private real estate funds
- investors (LPs), including funds-of-funds and institutional investors

With clients ranging from startup managers to top global investment firms managing over \$35 billion in assets, our attorneys are well versed in the arcane world of fund creation and management, including:

- developing operating and offering documents to “ERISA hard-wire” a family of enhanced benchmark funds owned by a \$30+ billion multi-strategy alternative asset manager
- supporting a \$3 billion fund-of-funds in negotiations with sub-advisers and documenting their engagement
- assisting a significant activist hedge fund complex with Section 13 filings and proxy contests

We advise on all aspects of the 1940 Act and related federal securities laws such as the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Investment Advisers Act, the Investment Company Act and the Commodity Exchange Act . As regulations shift, we ensure that our clients are in compliance.

Creating New Funds

In structuring new funds, we prepare:

- operative and offering documents
- private placement memoranda

- limited partnership and limited liability company agreements
- management agreements
- related documents

We work with clients to build the optimal investment structure by advising on financing arrangements and trading agreements (including managed account agreements). We also source and negotiate agreements with administrators, prime brokers, custodians, accountants and other service providers.

Operating and Growing Established Funds

To support capital raising and investment fund growth, our attorneys effect portfolio transactions, including:

- stock and asset purchases
- recapitalizations
- initial public offerings
- strategic sales

In addition to structuring and negotiating manager-level transactions, we create asset managers through joint ventures. Additionally, we enable seed capital investments in fund managers and engineer spin-offs of existing management teams. We have:

- Advised a \$1.5 billion alternative asset management firm on changing its registered investment adviser for its fixed-income advisory business
- Represented a lending and investment firm in a \$250 million joint venture with an \$80 billion private-equity investing complex
- Assisted a U.S. hedge fund manager in privately selling its international equity derivatives and convertibles business to a European bank in a \$100 million transaction

Investigations and Litigation

Drawing on Pryor Cashman's a national reputation as formidable litigators, our Investment Management Group has litigated many of the most significant cases in the investment management arena, including:

- SEC enforcement actions and bankruptcy adversary proceedings related to the Madoff, Bayou and Petters frauds
- Precedent-setting cases concerning the treatment of investor redemptions
- A \$25 million breach-of-contract action involving senior subordinated convertible note obligations and the termination of trading activities in an option account

Our litigators have represented financial institutions and their officers and directors in a wide variety of securities class actions and SEC, DOJ, and U.S. Attorney's Office investigations. We represent both broker-dealers and investment advisers in hearings before FINRA, the New York Stock Exchange and the National Association of Securities Dealers.