

Selected Business Law Curriculum Highlights

Fall 2012

Hedge Funds: Structuring, Advising and Regulating. This course will introduce students to U.S. legal and regulatory issues relating to hedge funds and hedge fund managers. Among other things, the course will cover hedge fund structuring and formation; the exclusions from Investment Company Act registration requirements on which hedge funds rely; regulation of hedge fund managers including the Investment Advisors Act of 1940 and its rules and regulations; private placement considerations; the impact of Dodd-Frank on the hedge fund industry; tax considerations relating to hedge fund manager compensation; disclosure obligations, applicable antifraud provisions of the securities laws, and conflicts of interest; key industry participants and their agreements with hedge funds; regulation of material non-public information; regulation of short selling; and investor alignment and hedge fund marketing and distribution. In addition, the course will feature guest lectures from a hedge fund portfolio manager, an institutional investor, and the CFO of a hedge fund.

Frank Martin is a Berkeley Law graduate and General Counsel of Standard Pacific Capital, LLC, a global hedge fund manager founded in 1995 and headquartered in San Francisco. Since inception, Standard Pacific has managed its flagship Global Long/Short Equity Fund. The firm also manages a Pan-Asia Long/Short Equity Fund. The funds' investors primarily include foundations and endowments, fund of funds, family offices, high net-worth individuals, insurance companies, and pension funds. Prior to joining Standard Pacific, Mr. Martin practiced corporate and securities law in Silicon Valley representing venture capital funds and venture backed companies. *(Note on Prerequisites: The class has no course prerequisites. Students who are interested in advising hedge funds, in regulating hedge funds, or in reforming the hedge fund industry will all benefit from the course. Students should have a basic understanding of the financial industry (at a New York Times level) and a general understanding of tax and corporate law terminology.)*

How Lawyers Use Economics. Practicing lawyers work with economists as expert consultants in many ways: to calculate damages in patent infringement or breach of contract cases, to calculate damages in tort cases, concepts of takings, valuation of companies, the structuring of securities, theories of discrimination in insurance, theories of discrimination in employment, taxation issues such as the recognition and valuation of taxable income, definitions of a market for different purposes, for example, antitrust, IP damages, and contracts. The purpose of the course is not "economic analysis of the law", but rather to prepare students for a practice that involves interaction with economic experts. The course presumes no economics training.

New Venture Finance. This is a course about financing new entrepreneurial ventures. We will focus on high potential firms that have the possibility of creating a national and/or international impact. This is not exclusive to, but may often mean, ventures that are financed by venture capital funds and exploit high technology and/or participate in new or emerging markets.

We will take two perspectives: that of the entrepreneur and that of the investor. Therefore, this course is of interest to those who wish to advise entrepreneurs and/or investors. We will place special focus on how companies are formed with a view to rewarding founders and employees and securing financing, how financing is secured and structured and how strategic alliances can be structured. As part of this process we will examine sources of capital, focusing on venture capital, both the industry and the business, and alternative sources of capital.

Essential Principles of Accounting and Finance in Business Litigation. The goal of this course is to introduce students to the most important accounting and finance concepts that impact the outcomes of business disputes. We will study cases that apply a particular accounting rule or concept and review primary source materials where appropriate. We will also review actual company SEC filings and financial disclosures, to see how the accounting and finance principles are disclosed and explained. We will also cover key concepts such as revenue recognition, materiality, depreciation and amortization, fair value measurements, loss contingencies, and LIFO and FIFO inventory methods. We will review and discuss basic valuation principles, and see how they are applied in litigation settings. Students will also learn about how finance and economic concepts are used to estimate shareholder losses in class action securities fraud suits.

George Brown is a partner in Gibson, Dunn & Crutcher's Palo Alto office and a member of the Litigation Department. Mr. Brown practices in the areas of complex business litigation, including securities class actions, accountants' liability and corporate governance disputes. He has represented officers, directors, board committees and professionals in class action securities litigation, internal company investigations, regulatory investigations, derivative actions, arbitration proceedings, and related matters. He has represented accounting firms in a wide variety of settings. He was also previously a law professor at UCLA School of Law, where he taught contracts, business associations, and securities regulation courses. *(Note on Prerequisites: There are no prerequisites, but familiarity with basic corporations and securities law would be helpful.)*

Legal Institutions and Global Economic Development. This course will cover readings on the relationship between legal institutions and economic development. Topics include the role of legal and colonial origins, rights in property and contract, natural resources, political stability, governance/corruption, and positive rights. Readings will be chosen in collaboration with students, but will emphasize the empirical literature in this area, including case studies, comparative history, and statistical studies. No prior background in empirical methods is necessary or required. *(Note: This course may satisfy the Writing Requirement.)*

Ethics & Integrity for Law Firm Lawyers and Business Clients. In numerous corporate scandals, we have seen formerly upstanding attorneys, accountants and business executives become defendants in massive shareholder class actions, targets of civil and criminal investigations and defendants in criminal prosecutions. Avoiding “Club Fed” starts with consistently making sound ethical choices throughout a career.

We will discuss recurring situations in which ethical issues arise for attorneys and their clients. Many situations will come from recent media reports; others will come from the less publicized dilemmas that often confront young professionals. Our focus will be on the private practice of law and business clients. We will consider how people make ethical choices and identify some of the sources for ethical standards in society today.

Identifying ethical issues and reaching ethical conclusions is only the beginning. The real challenge for many young professionals is finding practical solutions to dilemmas. The class discussion will help students understand that they are not alone in facing these problems and that there are practical alternatives to “going along” with conduct that they sense is not right. We will explore practical steps and arguments that may encourage ethical conduct and possibly avoid daunting confrontations, the prospect of which often deters people from raising ethical issues when they should.

Although the text and class discussion will include applicable ABA rules, rules alone or with the benefit of cases, are rarely adequate to ensure ethical conduct. Accordingly, the seminar will explore analytic tools for successfully resolving ethical issues. Each student will pick his or her own topic for the final paper and address ethical issues in a context that is of interest to the student.

Michael C. Ross is an adjunct professor at the University of Virginia and University of California Berkeley law schools. He is a member of the Advisory Boards of the University of Virginia's Institute of Practical Ethics and Public Life, and the Berkeley Center of Law, Business and the Economy. He is a member of the Affiliated Transnational Faculty of the Peking University School of Transnational Law. For more than ten years, Mr. Ross was a panelist at Stanford Law School's Directors' College. He has recently taught international business law/transactions at Dubrovnik International University. He is a member of the Board of Trustees of the California Shakespeare Theater. Mr. Ross is a former corporate partner at Latham & Watkins, where he specialized in mergers and acquisitions, and former Senior Vice President, General Counsel and Secretary of Safeway Inc.