
LAW 249.3 – LEC. 001
SELECTED TOPICS IN VENTURE CAPITAL

Class: 1

- Introduction to the World of Venture Capital Companies
- January 11, 2022

Topics Include:

- What makes Silicon Valley different?
 - Mobility
 - Risk
 - Control
 - Participation
 - Though not for all
 - Creativity
- History
 - Silicon Valley
 - Venture Capital
- The “Silicon Valley Venture Capital Model”
 - Key participants
 - The VCs
 - VC-backed companies
 - The lawyers
 - The fundamental conflicts among them
 - Recent statistics for the Venture Capital business

Learning Outcomes:

After this Class, you should be able to:

- Describe key elements underlying Silicon Valley that differentiate businesses here from traditional businesses.
- Understand the historical context in which today’s Silicon Valley, and the technology industry in general, developed.
- Begin to understand basic structures and motivations of VCs, their funds and their portfolio companies.
- Begin to understand what makes a Company attractive to VCs.
- Be aware of some of the diversity and inclusion issues in Silicon Valley and the technology industry in general

Assigned Materials:

- R. Morris and M. Penido, “**How Silicon Valley became Silicon Valley**,” Endeavor (2016).
 - <http://endeavor.org.tr/wp-content/uploads/2016/01/How-SV-became-SV.pdf>.
- The Economist, “***The Bright New Age of Venture Capital***” (November 27, 2021). (You can instead listen to this by clicking on the Play arrow following the first paragraph.)
- B. Feld and J. Mendelson, ***Venture Deals: Be Smarter than Your Lawyer and Venture Capitalist***, Fourth Edition, John Wiley & Sons, Inc. Hoboken, NJ (2019) (hereafter referred to as “**Feld**”), pp. 1-16, 167-186.

Optional Materials:

- NPR, “**Starting Up: Silicon Valley’s Origins**” (2012). Parts 1-3. (You can instead listen to/download these by clicking on the Play arrow in the upper left of each page.)
 - <http://www.npr.org/2012/04/04/149870751/a-rare-mix-created-silicon-valleys-startup-culture>.
 - <http://www.npr.org/2012/04/05/149992521/americas-magnet-for-innovation-and-investments>.
 - <http://www.npr.org/2012/04/06/150057676/intel-legends-moore-and-grove-making-it-last>.
- NVCA, “**Record Year for U.S. Venture Capital Industry Despite Pandemic and Economic Downturn**” (2021).
 - <https://nvca.org/pressreleases/record-year-for-u-s-venture-capital-industry-despite-pandemic-and-economic-downturn/>.
- Pitchbook, “**All In – Female Founders in the US VC Ecosystem**” (2021). (Posted on *bCourses* as “**Class 1 - All In**”)
- The New York Times, “**They Still Live in the Shadow of Theranos’s Elizabeth Holmes**” (August 24, 2021). (You can instead listen to this by clicking on the Play arrow before the first paragraph. If you can’t access the article online, a printout is posted on *bCourses* as “**Class 1 – Theranos.**”)
- Jeffrey Bussgang, “**Are VCs Racist? Explaining the Capital Gap**,” LinkedIn (January 3, 2022). (Posted on *bCourses* as “**Class 1 – Are VCs Racist.**”)