This is your new Second Edition

Private Equity Funds

Formation and Operation

Second Edition

By Stephanie R. Breslow and Phyllis A. Schwartz

PLI is proud to publish the Second Edition of Private Equity Funds. For more than seven years, Stephanie R. Breslow and Phyllis A. Schwartz have provided the latest developments in private equity funds. The Second Edition of Private Equity Funds continues to deliver the practical guidance needed by fund advisers and fund managers in navigating through the complex issues in the formation and operation of private equity funds.

The discussion in Private Equity Funds begins with an introduction to private equity funds, its background, and the many types of private equity funds. The discussion then moves on to key issues, such as economic terms, the types of entities involved in formation of funds, employment matters, and fund document preparation. Thereafter, the book addresses the many regulations that apply to private equity funds, including compliance programs for investment advisers, private placement rules for the sale of unregistered limited partnership interests in funds to investors, exemptions to registration requirements of investment funds, regulations relating to investment advisers, broker-dealer rules, filing requirements relating to public securities, ERISA matters, and anti-money laundering issues.

With this new and expanded Second Edition, the authors have added two new chapters. New Chapter 2, Hybrid Funds, examines fund structures that combine traditional private equity fund terms and the terms more typically used by funds that invest in liquid assets. These “hybrid funds” present unique challenges to those who seek to construct them: they are not easily classified and are often marketed (and classified, for regulatory reporting purposes) either as private equity funds or as hedge funds, notwithstanding their non-standard terms. This new chapter discusses these challenges and describes, in general terms, the...
current state of hybrid fund structuring. **New Chapter 3, Co-Investing with Private Equity Funds**, examines co-investments, which are investments entered into jointly by a private equity fund and one or more other investors and which are made on a one-off basis. This new chapter’s coverage includes an overview of the different scenarios that are considered co-investments, as well as sources of capital; co-investment funds, which are private pooled investment vehicles established for one or more investors to participate in co-investments with unrelated investment funds; the basic ways in which co-investments are structured; and the terms and conditions of co-investments.

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