Welcome
Welcome to the Venture Capital and Private Equity course. I will be following your progress during the semester and will provide you with suggestions and support to help you in the process. I look forward to working with you.

Course Description and Goals
This course examines venture capital and private equity firms as an important category of financial institutions. Private equity is an umbrella covering venture capital, growth equity, and buyout firms. These entities play a major role in providing capital to startup companies, those in the growth industries, and medium-sized entities that are in the process of restructuring. Also, private equity firms supply funding to buyout initiatives. The primary focus of the course is on financial, economic, and legal issues that develop between general and limited partners and between private venture capital firms and the startup companies in which they invest. More specifically, the course will explore the following processes: (1) how private equity firms raise capital; (2) how they deal with entrepreneurial companies in which they invest; (3) how they exit investments; and (4) how new frontiers are reshaping the private equity business.

The course plan is to discuss venture capital and private equity through technical details of how these entities operate. The weekly readings are carefully selected to help you with the skill-set required in the marketplace. The goal is to prepare you for positions in the financial industry or other sectors that require such knowledge.

Throughout the semester, I will be posting videos of lectures by four venture capital executives to provide you with industry insights.

Thomas C. Melzer, Managing Director, RiverVest Venture Partners
Jean Roberson, CFO, Appistry
Dennis Lower, President, and CEO, CORTEX
Brian Clevinger, Managing Director, PrologVentures

Prerequisites:
Book

Feld, Brad; and Jason Mendelson, *Venture Deals*, Wiley, 2016 (third edition)


Course Schedule

**Introduction, PowerPoint Slides with audio lecture**

**Week of Jan 20**

**Week of Jan 27** Ch. 1 -3 The Players; How to Raise Money; Overview of the Term Sheet

**Week of Feb 3** Ch. 4 Economic Terms of the Term Sheet, and Jean Roberson’s video

**Week of Feb 10** Ch. 5 - 6 Control Terms of the Term Sheet; Other Terms of the Term Sheet

**Week of Feb 17** Ch. 7 - 9 The Capitalization Table; Convertible Debt; Crowdfunding

**Week of Feb 24** Ch. 10 How Venture Capital Funds Work, and Tom Melzer’s video

**Week of Mar 2** Ch. 11 - 13 Negotiation Tactics; Raising Money the Right Way; and Issues

**Week of Mar 9** Ch. 14 – 16 Letters of Intent; Why Term Sheets Exist; Legal Things

**March 15, 10 am** Exam 1

**Week of Mar 16** Ch. 1 -2 Introduction; the Private Equity Cycle

**Week of Mar 23** Spring Break

**Week of March 30** Ch. 3 – 4 Deal Sourcing and Evaluation; Assigning Value, and Brian Clevinger’s video

**Week of April 6** Ch. 5 Deal Structuring – Private Equity Securities and Their Motivation

**Week of April 13** Ch. 6 After Money Arrives

**Week of April 20** Ch. 7 & 9 Achieving Liquidity – Exits and Distributions; Risk and Return

**Week of April 27** Ch. 12 - 13 Scaling and Institutionalization; Boom and Bust, Dennis Lower’s Video

**May 3, 10 am** Exam 2

Time Requirements:
I hesitate to quantify how much time it would take you to prepare for this course. I may guess five hours per week on average, but it can be more or less depending on your prior work or education experience.

Technology Requirements:
You should have access to the following:

1. Computer with an updated operating system (e.g., Windows, Mac, Linux)
2. Updated Internet browsers (Apple Safari, Internet Explorer, Google Chrome, Mozilla Firefox)
3. Ability to navigate the Canvas Learning Management System
5. Internet connection with a speed no less than 6 Mbps.
6. Media player such as VLC Media Player.
7. Adobe Flash Player (free)
8. Adobe Reader or alternative PDF reader (free)

**Academic Honesty**
You are expected to follow the university's policies related to academic honesty stated in [https://www.umsl.edu/services/academic/policy/academic-dishonesty.html](https://www.umsl.edu/services/academic/policy/academic-dishonesty.html).

**Course Grade**

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