
PREFACE

The fourth edition of this casebook continues to be inspired by the legions of law school graduates who sought to practice law as first-year corporate law associates, but who had no idea what it is that corporate lawyers *actually do*. We wrote this casebook for these students in order to bridge the gap between law school and practice as a transactional lawyer, much in the same way that the well-established Trial Advocacy course offered at our law school (as well as at most law schools today) prepares our graduates to “hit the ground running” as first-year litigation associates.

However, this casebook does not bear any resemblance to the traditional form of law school casebook typically used in upper-division law school courses. Indeed, in helping us finalize our manuscript for publication, our research assistants pointed out that our casebook does not include very many cases at all! This was done deliberately because our goal was to write a casebook that would educate law students as to what is expected of them as a first-year corporate law associate—whether they practice as a transactional lawyer on Wall Street or Main Street, in Silicon Valley or a small town.

In order to expose law students to the expectations of senior lawyers supervising the work of first year corporate law associates, this casebook adopts a simulated deal format that is designed to teach law students exactly what it is that transactional lawyers *actually do* in the context of planning a capital raising transaction. While transactional lawyers represent business clients in a wide variety of transactions, this casebook focuses on one type of business transaction that occurs on a daily basis out there in the real world: organizing and financing a new business. Since literally hundreds of thousands of new businesses are formed annually in this country, this type of transaction is likely to be a regular part of the professional life of those law students who plan to practice law in a transactional setting.

By using a simulated deal format, our casebook integrates (i) the teaching of new substantive knowledge about financing a start-up business venture with (ii) the development of the skills that are required for today’s law student to be prepared “to hit the ground running” in a transactional practice. In this edition, the simulated client continues to be a software start-up company in the autonomous vehicle industry, a topic that gives instructors ample opportunity to draw analogies from daily news headlines and paves the way for discussions about the intersection of corporate law and the emerging areas of artificial intelligence and machine learning. In this way, law students will gain a real world perspective on the life cycle of a deal, as well as exposure to the kind of problems that typically arise over the course of a deal and frequently jeopardize its successful completion. In addition, use of the simulated deal format provides law students with a meaningful opportunity to identify and reflect on the ethical considerations that face the modern transactional lawyer.

This book is organized in a straightforward way. Chapter 1 introduces the client, which as discussed above is a new technology business that is seeking start-up funding. The primary focus of the materials in this Chapter is to describe the role of the lawyer and the lawyer's relationship with the client in connection with representing an entrepreneurial business of any size—ranging from a small family-owned business to a large high-tech, start-up business. The remaining Chapters of the fourth edition are organized in a manner that tracks the evolution of our client's capital raising transaction. Thus, Chapters 2 and 3 discuss the issues that typically arise when entrepreneurs consider entering into a strategic joint venture with a larger well-established business that will contribute the necessary capital to launch the new business venture. The remaining Chapters of the fourth edition analyze the issues that typically arise in the course of planning and consummating a venture capital financing transaction.

We have tried to organize the casebook so as to present the relevant topics in a sequence that has later materials building on earlier Chapters. By this sequencing and by including a fair amount of explanatory material, our casebook is organized on the fundamental precept that the law student who takes this course is curious about this subject, but has limited familiarity with the business world in general and with the life cycle of a venture capital financing transaction in particular. By introducing the topics traditionally covered in a course on Business Planning in terms that are accessible to the uninitiated law student, we hope to stimulate the law student's curiosity in this subject and to demystify what is often an intimidating and overwhelmingly jargon-laden body of law. Accordingly, the objective is to treat the topics covered in each Chapter in a comprehensive, understandable and yet intellectually challenging manner that combines both the theoretical and practical aspects of the subject matter area. In this way, our casebook combines theory and practice in order to prepare law students for the types of projects and challenges that they will confront in their first few years of a transactional law practice. In addition, by using a simulated deal format, we hope to instill in the law student a sense of the inherent dynamics and fluidity of a capital raising transaction, thus allowing the law student to become an effective junior member of a law firm that represents start-up businesses.

To that end, this book includes a lengthy Appendix that consists of many different types of documents that are typically prepared as part of a financing transaction. These documents are an integral part of the book, as the Chapters make specific references to these agreements and ask students to review these agreements in order to give advice to clients, in a manner similar to what real-world corporate lawyers must do in advising their business clients. Thus, it is hoped that the text will stimulate class discussion of *both* the business and legal considerations involved in planning a capital raising transaction and at the same time provide law students with the opportunity to engage in practical problem-solving skills of the type required to be an effective transactional lawyer.

With this Fourth Edition, we say goodbye to one of the original co-authors of our casebook, Dana Warren, who will now be completely retired from LMU Loyola Law School. This is truly a bittersweet moment as we know Dana will thrive in this next chapter of his life, but we will miss his thoughtful insights and valuable experience. Dana is one of the finest corporate lawyers that we have had the good fortune

to work with and this casebook never would have come to fruition without his collaboration. In developing this casebook's innovative approach to teaching law students to be successful transactional lawyers, Dana's contributions are enormous: his depth of knowledge of the venture capital industry and his considerable experience representing entrepreneurs and start-up businesses were invaluable. Equally important, Dana's generosity in sharing deal precedent was crucial to developing the simulated deal format that is the very foundation of our casebook. Finally, and most importantly, Dana has been a tremendous colleague; indeed, his humor, patience, creativity, and elegant writing will continue to influence us.

We hope that you enjoy teaching out of our casebook as much as we do. We would be delighted to hear from you with any criticisms or suggestions. With any luck, we hope to publish a fifth edition of this casebook in a few years and we will do our best to make the next edition better for both students and their professors.

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