

New York University
Stern School of Business

Entrepreneurial Finance
B40.3361

Course Outline

Fall 2008
T/Th 10:30-11:50 am

Professor Roy C. Smith
Room KMEC 2-60

<u>Date</u>	<u>Subject and Readings</u>
9/2	Introduction and Course Orientation (a) "What a Difference a Year Makes." (b) The Private Equity Asset Class
9/4	Venture Capital: a Framework (a) Reading: R.C. Smith, "The Entrepreneurs" from <i>The Wealth Creators</i> (b) Case: <i>Billpay.com</i> (To be handed out in class)
9/9	Recognizing Opportunity: (a) Case: <i>US Cybersites</i> (b) Reading: <i>Harvard/MIT Note on Angel Investing</i> (c) Prepare and hand in <u>Problem #1</u> (see Blackboard, "Assignments")
9/11	Recognizing Opportunity: (a) Case: <i>Car Wash Partners</i>
9/16	Venture Capital Investing : (a) Case: <i>Pennell Venture Partners LP</i> (b) Prepare and hand in <u>Problem #2</u>
9/18	Venture Capital Investing: (a) Case: <i>Vermeer Technologies</i>
9/23	Venture Capital Valuation (a) Case: <i>Hotmail</i> Prepare and hand in <u>Problem #3</u>
9/23	Venture Capital Valuation and Contracting Terms (a) Reading: Aswath Damodaran, <i>The Dark Side of Valuation</i> , valuing companies with no profits or history.

- (b) Reading: *Term Sheet Glossary*
(c) Prepare and hand in Problem #4
- 9/30 NO CLASSES
- 10/2 Venture Capital Investing:
(a) Case: *Lazard Technology Partners, LP*
Reading: R.C. Smith, "Managing Venture Capital Investments"
- 10/7 Venture Debt
(a) Case: *Pinnacle Ventures*
(b) Prepare and hand in Problem #5
- 10/9 NO CLASSES
- 10/11 Green Venture Investing
(a) Case: *Solazyne, Inc.* (Blackboard)
- 10/16 Corporate Partners in Venture Capital
(a) Case: *Parenting Magazine*
(b) Prepare and hand in Problem #6
- 10/23 Midterm Exam
- 10/28 Private Equity
(a) *Private Equity Industry Presentation* by Richard Friedman, MD
Goldman Sachs, Nov 2007. (Blackboard)
(b) Reading: R. Smith, "Hedge Funds and Private Equity"
(c) *Note on the Private Equity Fundraising Process*
- 10/30 Leveraged Buy-Outs
(a) Case: *OM Scott*
- 11/4 LBOs
(a) Case: *Burger King*
Prepare and hand in Problem #7
- 11/6 Other Issues in LBOs
(a) Case: *Huntsman Corporation* (Blackboard)
- 11/11 Mezzanine Finance 2007
(a) *Goldman Sachs Mezzanine Partners, LP*
Goldman Sachs, October 2007 Presentation (Blackboard)
- 11/13 Workouts and Vulture Finance
(a) Reading: *Bankruptcy: A Debtor's Perspective*

- 11/18 Investing in Distressed Securities:
(a) Case: *GSC Partners and Regal Cinema (Parts I & II)*
(b) Prepare and hand in Problem #8
- 11/20 Real Estate Private Equity
- 11/25 Exits: Going Public (I)
(a) Reading: *Note on the Initial Offering Process*
- 11/27 NO CLASSES
- 12/2 Exits: Going Public (II)
(a) Case: *ImmuLogic Pharmaceutical Corp.*
(b) Prepare and hand in Problem #9
- 12/4 Exits: M&A (II)
(a) Case: *RightNow Technologies*
(b) Prepare and hand in Problem #10
- 12/9 Exits: Going Private
(a) Case: *Oriflame International*
- 12/-- Final Examination