## Course Outline

**Fall 2008**

### Professor Roy C. Smith

**T/Th 10:30-11:50 am**

**Room KMEC 2-60**

<table>
<thead>
<tr>
<th>Date</th>
<th>Subject and Readings</th>
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</table>
| 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 *The Wealth Creators*  
        (b) Case: Billpay.com (To be handed out in class) |
| 9/9   | Recognizing Opportunity:  
        (a) Case: US Cybersites  
        (b) Reading: Harvard/MIT Note on Angel Investing  
        (c) Prepare and hand in Problem #1 (see Blackboard, “Assignments”) |
| 9/11  | Recognizing Opportunity:  
        (a) Case: Car Wash Partners |
| 9/16  | Venture Capital Investing:  
        (a) Case: Pennell Venture Partners LP  
        (b) Prepare and hand in Problem #2 |
| 9/18  | Venture Capital Investing:  
        (a) Case: Vermeer Technologies |
| 9/23  | Venture Capital Valuation  
        (a) Case: Hotmail  
        Prepare and hand in Problem #3 |
| 9/23  | Venture Capital Valuation and Contracting Terms  
        (a) Reading: Aswath Damodaran, *The Dark Side of Valuation*, 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
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<tr>
<th>Date</th>
<th>Topic</th>
<th>Notes</th>
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<tbody>
<tr>
<td>11/18</td>
<td>Investing in Distressed Securities: (a) Case: <em>GSC Partners and Regal Cinema (Parts I &amp; II)</em> (b) Prepare and hand in Problem #8</td>
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<td>11/20</td>
<td>Real Estate Private Equity</td>
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<td>11/25</td>
<td>Exits: Going Public (I) (a) Reading: <em>Note on the Initial Offering Process</em></td>
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<td>11/27</td>
<td>NO CLASSES</td>
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<td>12/2</td>
<td>Exits: Going Public (II) (a) Case: <em>ImmuLogic Pharmaceutical Corp.</em> (b) Prepare and hand in Problem #9</td>
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<td>12/4</td>
<td>Exits: M&amp;A (II) (a) Case: <em>RightNow Technologies</em> (b) Prepare and hand in Problem #10</td>
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<td>12/9</td>
<td>Exits: Going Private (a) Case: <em>Oriflame International</em></td>
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<td>12/--</td>
<td>Final Examination</td>
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