

Private Equity Fund Formation

Fall 2026 Law 5397 – Section 25993

Fridays 9am–noon

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Overview

Welcome to *Private Equity Fund Formation*. This course is designed to provide an overview of the private equity fund industry and an introduction to the key legal, commercial, and policy issues relating to private equity funds. The goal is to emphasize practical knowledge of the sort that a junior law firm associate working in a transactional practice might find useful.

By the end of our sessions, you should have an understanding of (1) private equity fund structures, (2) private equity fund documents, (3) the tax and regulatory regimes that underpin the private equity fund industry, (4) the policy considerations that drive commercial and regulatory changes, and (5) what it's like to work in private practice as a PE funds lawyer.

Course Materials

The primary course materials are (1) *Private Equity Fund Formation*, by Jonathan Rash, available at LexisNexis and (2) Debevoise & Plimpton's *Private Equity Funds "Cookbook,"* available [here](#). Other course materials are hyperlinked below. Materials not listed here will be emailed to you before the relevant class; these may include news articles on hot topics or other writings.

Course Requirements and Grading

The format of this course is a combination of in-class lecture and discussion. Regular course attendance is expected. The Law Center expects students to attend at least 80% of scheduled classes. Failure to meet this guideline may result in being reported to Student Services. Prior to class, please read all the assigned material.

You will see below that certain classes include a film to watch in addition to the required readings. The films relate to the finance industry and are intended to illustrate topics covered in class. I recommend that you watch the films (mostly because they are entertaining). However, the films, unlike the readings, are not required; we may spend a few minutes in each class discussing the film assigned for that day, but if you don't want to watch the film, you don't have to.

There are three practical exercises over the course of the semester. We will cover the exercises in detail in class. The exercises are learning experiences—you are not expected to be an expert! Your final grade will be based on how you perform on the 3 exercises. The first exercise is worth 20% of your grade. The second exercise is worth 30% of your grade, and the third exercise is worth 50% of your grade. I reserve the right to adjust a student's grade up 1/3rd of a grade (e.g., from a B to a B+) for particularly strong in class participation. I do not care if you use AI for assignments as it is readily available for you once you're attorneys, but I caution you that AI often does a poor job of drafting the kind of assignments you will be presented with and I'm not a fan of reviewing 'AI slop' that you didn't take the time to work through.

The due dates for the three exercises are noted in the syllabus below. The instructions for each assignment

will be provided at least one week in advance of their due date by email.

Grading

I grade in accordance with the curve prescribed by the University of Houston law center. I will evaluate each of your three assignments in the same fashion as outlined below.

1. Was the assignment turned in by the deadline given (5 points)
2. Were instructions followed in how the work product should be 'technically' presented and delivered (e.g., is it in PDF format if requested in PDF, are sources cited in accordance with the instructions, etc.) (5 points)
3. Is there attention to detail (i.e., no typos, no bad formatting, etc.)
4. Is the work product responsive to the assignment's request (e.g., if the request was for an email to send back to the client, is there a draft email that can be sent back to the client in your work product) (5 points)
5. Does the work product show mastery of the concepts covered in class applicable to the assignment (5 points)
6. Is the quality of the work product substantively good (e.g., if you're asked to markup a limited partnership agreement, how many comments would I have on your markup as a more senior attorney reviewing your work (the more comments and the more fundamental my comments, the lower your score would be)) (10 points)

Course Schedule and Syllabus

Meeting dates, course topics, and readings for each class are provided below. The syllabus may be updated periodically over the course of the semester if we fall behind or if the schedule or content changes for some other reason.

Instructor Evaluations

I welcome any comments or suggestions that you may have regarding my teaching style. I'm teaching this class because I'm interested in preparing the next generation of attorneys; I won't be offended if you give me constructive feedback.

Mental Health and Wellness Resources

The University of Houston has a number of resources to support students' mental health and overall wellness, including CoogsCARE and the UH Go App. UH Counseling and Psychological Services (CAPS) offers 24/7 mental health support for all students, addressing various concerns like stress, college adjustment and sadness. CAPS provides individual and couples counseling, group therapy, workshops and connections to other support services on and off-campus. For assistance visit uh.edu/caps, call 713-743-5454, or visit a Let's Talk location inperson or virtually. Let's Talk are daily, informal confidential consultations with CAPS therapists where no appointment or paperwork is needed. The Student Health Center offers a Psychiatry Clinic for enrolled UH students. Call 713- 743-5149 during clinic hours, Monday through Friday 8 a.m. - 4:30 p.m. to schedule an appointment. The A.D. Bruce Religion Center offers

spiritual support and a variety of programs centered on well-being. 5 Need Support Now? - If you or someone you know is struggling or in crisis, help is available. Call CAPS crisis support 24/7 at 713-743-5454, or the National Suicide and Crisis Lifeline: call or text 988, or chat 988lifeline.org.

Title IX/Sexual Misconduct

Per the UHS Sexual Misconduct Policy, your instructor is a “responsible employee” for reporting purposes under Title IX regulations and state law and must report incidents of sexual misconduct (sexual harassment, non-consensual sexual contact, sexual assault, sexual exploitation, sexual intimidation, intimate partner violence, or stalking) about which they become aware to the Title IX office. Please know there are places on campus where you can make a report in confidence. You can find more information about resources on the Title IX website at <https://uh.edu/equal-opportunity/title-ix-sexual-misconduct/resources/>. X. Reasonable Academic Adjustments / Auxiliary Aids The University of Houston is committed to providing an academic environment and educational programs that are accessible for its students. Any student with a disability who is experiencing barriers to learning, assessment or participation is encouraged to contact the Justin Dart, Jr. Student Accessibility Center (Dart Center) to learn more about academic accommodations and support that may be available to them. Students seeking academic accommodations will need to register with the Dart Center as soon as possible to ensure timely implementation of approved accommodations. Please contact the Dart Center by visiting the website: <https://uh.edu/accessibility/> calling (713) 743-5400, or emailing jdcenter@Central.UH.EDU.

Recording of Class

Students may not record all or part of class, livestream all or part of class, or make/distribute screen captures, without advanced written consent of the instructor. If you have or think you may have a disability such that you need to record class-related activities, please contact the Justin Dart, Jr. Student Accessibility Center. If you have an accommodation to record class-related activities, those recordings may not be shared with any other student, whether in this course or not, or with any other person or on any other platform. Classes may be recorded by the instructor. Students may use instructor’s recordings for their own studying and notetaking. Instructor’s recordings are not authorized to be shared with anyone without the prior written approval of the instructor. Failure to comply with requirements regarding recordings will result in a disciplinary referral to the Dean of Students Office and may result in disciplinary action.

Honor Code

The UHLC Honor Code applies to all aspects of this course. You are responsible for knowing all Honor Code provisions and for complying with the Honor Code. Please inquire if you have any questions regarding how the Honor Code’s provisions apply to specific activities or situations related to this course. Your continuing enrollment in this course is deemed to be a pledge by you under the Honor Code to comply with the Honor Code in relation to this course and to comply with the instructions in the course syllabus.

Private Equity Fund Formation

Fall 2026

Class One: Introduction to the Class and PE Investing

- Class introductions; structure of course
- A brief history of private equity
- Private equity vs. other asset classes
- Introduction to key fund formation concepts

Read:

1. Rash Primer, §§ 1.01–1.04
2. Debevoise Cookbook, pp. 3–21
3. [Private Equity Explained \(by ILPA\)](#)
4. [Private Fund Adviser Rules, SEC Adopting Release](#), pp. 7–20
5. Gary Gensler, [Prepared Remarks at the Institutional Limited Partners Association Summit](#)

Watch:

1. “Private Equity at Work: What is Private Equity?”
<https://www.youtube.com/watch?v=6RBuDQ0EwiM>
2. “The Scam of Private Equity Investing” <https://www.youtube.com/watch?v=5tgexfcLWtY>
3. BARBARIANS AT THE GATE (Glenn Jordan dir., 1993), available on YouTube¹

Class Two: PE Fund Formation – Part One

- Typical fund structures
- Impediments to new sponsors
- Key economic terms
- A (very brief) note on tax

Read:

1. Rash Primer, §§ 2.01–2.05, 4.03[9]
2. Debevoise Cookbook, pp. 37–52, 91–102
3. [ILPA Principles 3.0](#), pp. 10–16
4. [ILPA Model Fund Documents](#) (skim)

¹ As noted above, the films are recommended but not required. The films may be accessible on platforms not listed in the syllabus.

Class Three: PE Fund Formation – Part Two

- Fundraising basics
- Key legal regimes
- Key economic terms (cont.)

Read:

1. Rash Primer, §§ 4.01–4.03, 5.01, 5.02[1]–[2], 5.03[1]–[2], [5]
2. Debevoise Cookbook, pp. 113–49

Watch: ROGUE TRADER (James Deardon dir., 1999), available on YouTube and Amazon Prime Video

Class Four: PE Fund Formation – Part Three

- Fundraising basics (cont.)
- Key legal regimes (cont.)
- Key economic terms (cont.)
- Discuss Exercise 1

Read: Same as last week

Watch: WALL STREET (Oliver Stone dir., 1987), available on Amazon Prime Video

Class Five: Catch-up and Discussion of Big Law Firm Life

Read: Gary Gensler, [Testimony before the U.S. House Committee on Financial Services](#)

Watch: TOO BIG TO FAIL (Curtis Hanson dir., 2011), available on Max and Amazon Prime Video

Class Six: Fund Structuring 101

- Incentives and conflicts of interest
- More fund structures

Read:

1. Rash Primer, §§ 2.05, 4.05
2. Debevoise Cookbook, pp. 3–14, 61–73
3. [ILPA Principles 3.0](#), pp. 5–9, 17–40
4. Debevoise & Plimpton, [Thinking Through The Tax-Blocker Endgame](#)

Watch: THE BIG SHORT (Adam McKay dir., 2015), available on Amazon Prime Video

Class Seven: Catch-up and Intro to Fund Marketing

- Structure of an offering – timeline and marketing compliance issues
- Pitch books and PPMs

Read:

1. Rash Primer, §§ 3.01–3.03, 3.06, 4.02, 4.05[2], 5.02[3]–[4]
2. Debevoise Cookbook, pp. 23–36

Class Eight: Fund Marketing – Part 2

- Anatomy of a PPM
- Marketing outside the U.S.

Read: Same as last week

Watch: GLENGARRY GLEN ROSS (James Foley dir., 1992), available on Amazon Prime Video

******* Assignment 1 Due *******

Class Nine: Investor Negotiation and Closings – Part 1

- Side letters
- MFNs
- Special economic deals
- Withdrawal and excuse rights
- Information rights
- Special categories of investors

Read:

1. Rash Primer, §§ 3.04–3.05, 3.07–3.08, 4.02[6], 4.03[5], 4.04[4], 4.05[7], 5.04[4][g][v]
2. Debevoise Cookbook, pp. 75–90

Watch: ENRON: THE SMARTEST GUYS IN THE ROOM (Alex Gibney dir., 2005), available on Amazon Prime Video

Class Ten: Sponsor Formation – Part 1

- Basic management company formation
- Key considerations and regulatory requirements

Intro to compensation issues – the founder problem

Read:

1. Rash Primer, § 5.04
2. [ABA Model Rule 1.7](#) and [Associated Comment](#)
3. SEC Guide, [How to Register as an Investment Adviser](#)

SEC Guide, [Information for Newly Registered Investment Advisers](#) (skim)

Class Eleven: Sponsor Formation – Part 2

- Retaining teams through compensation – vesting and forfeiture
- Structuring compensation for PE executives

Complexities driven by non-U.S. executives

Read:

1. Debevoise Cookbook, pp. 103–12

Watch: BOILER ROOM (Ben Younger dir., 2000), available on Amazon Prime Video

***** Assignment 2 Due *****

Class Twelve: Investor Negotiation and Closings – Part 2

- Discuss Exercise 3
- Last week's material (cont.)

Read: Same as last week

Watch: AMERICAN PSYCHO (Mary Harron dir., 2000), available on Amazon Prime Video

Class Thirteen: Last Day!

- What about private *credit*?
- Current events and hot topics

Read:

1. Readings on private credit to be provided before class
2. Nilay Patel, [Private equity bought out your doctor and bankrupted Toys “R” Us — here’s why that matters](#)
3. Jennifer Szalai, [Going Bankrupt in the Name of Efficiency](#)
4. William Birdthistle, [How Private Funds Could Hurt Americans Under Trump](#)

Watch: INSIDE JOB (Charles Ferguson dir., 2010), available on Max and Amazon Prime Video

***** Assignment 3 Due *****