Private Equity and Real Estate Fund Formation

Private investment funds offer long-term investors the potential opportunity for more attractive returns and tax efficiencies than investing in public markets. Katten navigates sponsor clients through the formation of a fund — and we work on the other side, representing investors of all kinds in these vehicles. Deep experience in middle-market private equity and real estate transactions carries over to our counsel in the fund arena.

Structuring flexibility across fund investments

We provide guidance to sponsors in organizing, marketing, closing and operating funds. In addition, we represent investors ranging from high net worth individuals and family offices to institutional investors — such as private and public pension funds, university endowments, private foundations, and high-profile corporations — in fund investing activities.

Strategic planning for sponsors organizing a new fund is a priority from the outset. We offer well-informed perspectives on market terms, and we assist sponsors in developing a process and crafting a fund that will attract investors. Whether forming an initial fund or subsequent vehicles for established sponsors, we create the right structures at the right price. Our multidisciplinary counsel covers all aspects of a private equity or real estate fund, including:

- Fund formation documentation
- Formation of management companies
- Fund daily operations and management
- Liquidation and winding-up of funds
- Marketing materials
- Minority investments in, or sales of control of, management companies
- Placement agent negotiations and agreements
- Reorganization of management companies and funds
- SEC examinations, audits and actions
- Side letter negotiations
- US and international tax

Key Contacts

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We help clients navigate the myriad of US and international regulations to be addressed, including the Investment Advisers Act of 1940, the Investment Company Act of 1940, ERISA, the Alternative Investment Fund Managers Directive, and the European Securities and Markets Authority.

At the center of private equity and real estate markets

Katten attorneys are involved in a broad array of private funds, including venture capital, mezzanine, senior debt, leveraged buyouts and distressed debt funds. Our activity in private equity deal markets helps us address the distinct regulatory, tax and other issues arising from the investment strategy of each fund.

We understand real estate and the unique tax issues associated with real estate funds. Our experience includes working on funds with a broad "opportunistic" mandate, and we have worked on funds focused on properties in specific market segments, including:

- Agricultural
- Commercial
- Hotels and hospitality
- Industrial
- Medical
- Multifamily
- Office
- Undeveloped land

We incorporate private REITs into real estate fund structures when appropriate, and we apply our practical knowledge of the complex rules governing REITs to help these entities remain in regulatory compliance.

Whether you are a fund sponsor, a fund professional or a fund investor, Katten offers custom counsel to help you reach your goals.

Recognitions

Recognized or listed in the following:

- *Best Law Firms*
  - Corporate Law
    - National, 2011–2026
    - Chicago, 2011–2026
    - Dallas/Fort Worth, 2019–2026
  - Private Funds/Hedge Funds Law
    - National, 2012–2026

        - Chicago, 2011–2026
        - New York, 2019–2026
- *Chambers UK*
    - Real Estate: £10-50 million
        - London (Firms), 2016–2026
    - Hotels & Leisure
        - UK-wide, 2019–2026
- *Chambers USA*
    - Real Estate
        - Nationwide, 2012–2026
        - District of Columbia, 2016–2020, 2026
        - Illinois, 2006–2026
        - North Carolina, 2016–2018
    - Real Estate: Finance
        - North Carolina, 2012–2026
    - Real Estate: Mainly Corporate & Finance
        - New York, 2016–2019, 2021-2025
- *The Legal 500 United States*
        - Real Estate, 2016–2026