**Georgetown University Law Center**
**Taxation of Private Equity and Hedge Funds**
**Professors Smyczek and Rimmke**
**Summer 2016**

*Private Equity and Hedge Funds: Taxation and Transactions* will meet on Tuesdays from 6:00 p.m. to 9:20 p.m. The final examination, which will be open book, is scheduled for July 25. Required course materials are noted.

### Contact Information

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<tr>
<th>Jason Smyczek</th>
<th>Bryan Rimmke</th>
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<td>IRS Office of Chief Counsel</td>
<td>Ernst &amp; Young LLP</td>
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### Class 1

**Introduction; Structures and Terminology; Entity Classification**
- Light media research on private equity funds and hedge funds (i.e., perform internet research regarding private equity funds, hedge funds, and their importance to the economy)
- Reg. § 301.7701-3(a)-(b)

**Fund Formation; Multiple Closings; Partnership Agreements and Allocations**
- Reg. §1.704-1(b)(1)(i)
- Reg. §1.704-1(b)(2)(i) through 1.704-1(b)(2)(ii)(b)(3)
- Reg §1.704-1(b)(3)(i)-(ii)
- Example 10, Reg. §1.704-1(b)(5)
- BNA Portfolio 712-3rd II.B and D
- BNA Portfolio 712-3rd IV.A

### Class 2

**Allocations Continued; Section 704(c) Allocations; Securities Aggregation Rules**
- Reg. §1.704-3(a)(1)-(3)
- BNA Portfolio 712-3rd V.C.8.b, (up to but not including examples)
- Reg. § 1.704-3(e)(3)
- BNA Portfolio 736: Section V

### Class 3

**Fund Distributions & Liquidation; Clawbacks**
- Code Sections: 731, 732, 704(c)(1)(B), 737, 707(a)(2)(B)
- Reg. § 1.731-2
- BNA Portfolio 735: Sections III.B, III.C

### Class 4

**Fund Allocations (Waterfall and Stuffing Allocations)**
• Waterfall agreement handout
• Woods, Lowy, and Ladin, A Path Through the Maze

**Class 5**
**Compensating the Manager; Carried Interest Legislation; Self-Employment Tax Issues**
- Code Section: 1402(a)(13)
- Prop. Reg. §§ 1.1402(a)-2(g), (h)
- Revenue Procedures 93-27, 2001-43
- Prop. Reg. § 1.707-2 (and preamble)
- BNA Portfolio 735: Section VI.J
- BNA Portfolio 735: Sections VI.A, VI.B

**Class 6**
**Up-C Structuring; Financial PTP’s; Tax Receivable Agreements; Hedge Fund Side Pockets; “Beta” Funds**
- BNA Portfolio 735: Section XII
- John Hart, The Umbrellas of Subchapter K

**Class 7**
**International and Tax Exempt Fund Issues**
- BNA Portfolio 735: Section VIII (up to any including section D., i.e. excluding sections E. and onward)
- BNA Portfolio 736: Section VIII (A., B., (skip C.), D., E. and F (skip G.)
- Code and regulation sections cited in materials.

**Class 8**
**International and Tax Exempt Fund Issues; Review Class**
- BNA Portfolio 735: Section VIII (A., B1. through B2. only (skip B.4 through B.6), C.)
- Code and regulation sections cited in materials.

**Final Exam**
- **In-Class Exam (7/25)**

**July 25**