In this course you'll learn to understand the language of investors, the concepts of business and finance, and how to build a professional and successful business operation. Together we will explore all the stages of business development: from startup to exit or maturity. Along the way, we'll learn how to function well with partners and investors, how to manage successful negotiations, business management, financial modeling, risk management and even a bit of business law. The goal of the course is to turn you into effective CEOs, entrepreneurs or investors, within the exciting world of startup ventures.

Lecturer: Daniel Pomerantz, CEO, HonestReporting.com

Daniel began his career as an attorney in the United States, where he worked at some of the most well known law firms in New York and Chicago. He later “made aliyah” (immigrated) to Israel where he rebuilt his life as an entrepreneur: serving as CEO of the Israeli edition of the well known Playboy Magazine. Today, Daniel serves as CEO of an
Israeli and international media company called HonestReporting, and in addition, he serves as an adjunct lecturer at the Interdisciplinary Center University (the "IDC") in Herzliya and at Bar Ilan University. Daniel's expertise are in business as well as American and international law.

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### Course Goals

Financial (Economic) and Legal Aspect for Entrepreneurs is practical and intensive course that provides introduction to the critical legal and transactional/financial issues confronting start-up and emerging growth companies. Although the context of the course is early stage companies, many of the concepts studied are equally applicable to more mature, established companies.

The course provides a wide perspective on how to manage risk, deploy resources and maximize shareholder value.

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### Grading

<table>
<thead>
<tr>
<th>Assignment</th>
<th>%</th>
<th>Class due</th>
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<tbody>
<tr>
<td>1. Written project + class presentation (Founder's Agreement, etc.)</td>
<td>10</td>
<td>Team 5</td>
</tr>
<tr>
<td>2. Class Presentation (Reverse pitch)</td>
<td>10</td>
<td>Team 13</td>
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<tr>
<td>3. Case Study Paper</td>
<td>50</td>
<td>Individual 13</td>
</tr>
<tr>
<td>4. Final Binder</td>
<td>30</td>
<td>Team TBD (due after semester)</td>
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</tbody>
</table>

The Binder will include the following papers:

1. Executive summary
2. Founders Agreement
3. Employment Agreement
4. Financial Model

More explanation will be provided in the class.

**Teams submissions:** all submissions are done in teams, except the case study paper (item #2). The teams are the same as the project teams. Please apply the team work to your venture capstone project (when applicable). If you do not have a team or a venture, we
will work together to form one for you near the beginning of the semester.

**Important:** After the first lesson all teams should send an email to course TA with the follow details: Names, ID No., emails, Head of the team (One member), project short introduction (one phrase).

**Class attendance:** As per department updated requirements for the department.

Attendance above 75% class will earn 3-points (extra credit).

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**Lecturer Office Hours**

Daniel Pomerantz, JD: upon request, pomerantz.lecture@gmail.com

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**Teaching Assistant**

Upon request, Inbar.Semo@post.idc.ac.il

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**Additional Notes**

<table>
<thead>
<tr>
<th>Class #</th>
<th>Topic/Activity</th>
<th>To Submit/read/view</th>
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</thead>
<tbody>
<tr>
<td>Class 1 – March 7, 2022</td>
<td>Intro to course, overview of business structure, and <strong>Intro to financial concepts #1:</strong> fundamentals and vocabulary (aka: what the heck is this stuff?). Discuss founder’s agreements. Learn about Daniel and also about each of you!</td>
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</tr>
<tr>
<td>Class 2 – March 14, 2022</td>
<td>Basic agreements to structure a business: Term sheet, Vesting &amp; Options, Founders’ agreement, Investment agreement/SAFE, Waterfall</td>
<td>Be familiar with syllabus and introductory materials Founders agreement presentations</td>
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<tr>
<td>Class</td>
<td>Pro forma budgeting, line items,</td>
<td>Read <strong>NYU appendix</strong> on financial</td>
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<tr>
<td>Class</td>
<td>Date</td>
<td>Topic</td>
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<tr>
<td>Class 4</td>
<td>March 28, 2022</td>
<td>Continue pro forma budgeting and presentations</td>
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<tr>
<td>Class 5</td>
<td>April 4, 2022</td>
<td>Valuation, TVM and discount to present value (aka: what is a business worth and how do I calculate it?) Begin valuation presentations</td>
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<tr>
<td>Class 6</td>
<td>April 25, 2022</td>
<td>Continue valuation and presentations</td>
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<tr>
<td>Class 7</td>
<td>May 2, 2022</td>
<td>Continue valuation presentations. Types and stages of finance: equity, debt, convertible, angel, Series-B, PE, and I-Banking. (aka: speaking the language of investors)</td>
</tr>
<tr>
<td>Class 8</td>
<td>May 9, 2022</td>
<td>Tying together the last 3 lessons: valuation + pro-forma budgeting + types of investment vehicles and discussion of “waterfalls.” Discuss projects in class. (aka: what investors want, and how to give it to them without ruining my startup)</td>
</tr>
</tbody>
</table>

Read NYU appendix on TMV and review sample valuation documents and sample pro forma financials.

WeWork:
Business Insider and also Scott Galloway on YouTube and Scott Galloway on Part 1 EBITDA and Part 2.

Submit: 5 min individual budget overviews to be delivered in class

Team assignments

Read linked articles on Google/Yahoo,
### Class 10 – May 23, 2022

**The basics of contract and IP, socratic method (Just a little taste of law school and how it connects to financial management)**

**Submit group project:** Outline of partnership agreement with full drafting of assigned provisions and full waterfall.

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### Class 11 – May 30, 2022

**NDA/Non-Competes, licenses, distribution, and other industry specific items. (ie: Let's make this startup happen!)**

**Submit team project:** case study - reverse investor pitch (investor offer, logic and reasons).

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### Class 12 – June 6, 2022

**Franchise and White Label/OEM (aka: success through cooperation)**

**Submit team project:** case study - reverse investor pitch (investor offer, logic and reasons).

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### Class 13

**Case Study: Class Exercise and submission (team). First half of teams to present reverse investor pitch presentations (make an offer to your own team, as if you were the investor)**

**Reverse investor pitch is under week 10 in assignments.**
Reading List

Required reading:

- NYU appendices on Financial statements, TMV, Debt v. Equity Financing (pages 1-20 only).
- Articles on Google/Yahoo, Waze, and Donald Trump Casinos, Also read Friend Tad (2015) Tomorrow's Advance Man.
- Various court cases: Carll v Carbolic Smoke Ball Co on Contracts (and note this advertisement related to the case) and Sony v. Universal on copyright. Also the "about us" section from OECD.

Optional reading:


Articles: