

Venture Capital & Emerging Growth Companies December 2020 Highlights

Venture Capital & Emerging Growth Companies Alert

12.31.2021

McCarter's renowned [Venture Capital & Emerging Growth Companies](#) team empowers clients throughout the development cycle—from ideation to creation, capitalization, implementation, commercialization, and monetization. Though this has been a challenging year for many, we are thankful for our contacts and clients and proud of their accomplishments. We look forward to the good things 2021 has in store.

Keeping the startup community informed

The New Jersey Legislature has passed the New Jersey Innovation Evergreen Act, and New Jersey Governor Phil Murphy is expected to sign it into law in the coming days/weeks. Pursuant to the Act, the New Jersey Economic Development Authority will create a fund, called the New Jersey Innovation Evergreen Fund, to invest in early-stage and emerging growth companies in New Jersey. The fund is expected to be capitalized with approximately \$250 million over the next five years through competitive auctions of state tax credits. All fund investments into New Jersey companies must be matched by qualified venture firms, yielding a total of at least \$500 million in venture capital investment in early-stage and emerging growth companies in New Jersey over the next several years. Read more about New Jersey's bold initiative to supercharge investment into early-stage and emerging growth companies [here](#).

Educating entrepreneurs

A key milestone in the lifecycle of many successful companies is obtaining financing from angel or venture capital investors. Often, entrepreneurs are less familiar with standard terms than the investors with whom they are working. To help guide them, McCarter partner [Ben Hron](#) has authored "[Anatomy of a Term Sheet](#)," an introduction to the standard terms in an early-stage equity financing.

Although the specific language in early-stage financing documents can vary considerably depending on, among other things, the investor (angel, VC, etc.) and the company's stage of development, the universe of possible terms is actually fairly well established. This pamphlet relies on [the model Term Sheet](#) available from the National Venture Capital Association (NVCA) website, which covers most of the terms an entrepreneur would expect to see in a term sheet for an early stage equity financing and also includes some helpful annotations.

Furthering important initiatives

McCarter is proud to support the [Women's Center for Entrepreneurship Corporation](#) (WCEC) in its ongoing mission to provide women entrepreneurs and small-business owners with the necessary business education to build successful businesses to support their family, community, and passion—most recently for its event "[Become An Ally](#):"

[Entrepreneurs & Racial Equality.](#)” This was an inspiring panel discussion between three New Jersey small-business owners regarding choices they’re making to champion change and to build diversity, equity, and inclusion into their business practices. Hester Agudosi, Chief Diversity Officer for the State of New Jersey, joined to share her vision of inclusion and equality. Partner [Natalie Watson](#) provided closing remarks.

Events

1.21.21

[Startup 101: 3 Hour Special Legal & Fundraising Bootcamp!](#)—Orange County Startup Council

2.3.21

[A Conversation with KPMG Chief Economist Constance Hunter](#)—NACD Philadelphia

2.17.21

[Legal Issues for Startup Founders](#)—NYU Startup School

Media

12.21.20

David J. Sorin and Adam Sternbach co-authored “[New Jersey to Create Venture Capital Fund to Supercharge Investment into Early-Stage and Emerging Growth Companies in the State](#)”—*McCarter & English Venture Capital & Emerging Growth Companies Alert*

12.10.20

Scott M. Smedresman and Morgan Jones co-authored “[California Strikes Back...for Data Privacy!](#)”—*McCarter & English Data Privacy Alert*

12.10.20

Peter Campitiello authored “[SEC Modernizes Reporting Requirements for Public Companies Under Regulation S-K Items 101, 103, and 105](#)”—*McCarter & English Corporate Alert*

Please visit our [Coronavirus Resource Center](#), which contains regularly updated information to assist you and your business during these turbulent times.