



CAPILANO UNIVERSITY

COURSE OUTLINE		
TERM: Fall 2019	COURSE NO: LAW 453	
INSTRUCTOR:	COURSE TITLE: Financing the Tech Start-Up	
OFFICE: LOCAL: E-MAIL: @capilanou.ca	SECTION NO(S):	CREDITS: 3.0
OFFICE HOURS:		
COURSE WEBSITE:		

Capilano University acknowledges with respect the Lil'wat, Musqueam, Squamish, Sechelt, and Tsleil-Waututh people on whose territories our campuses are located.

COURSE FORMAT

Three hours of class time, plus an additional hour delivered through on-line or other activities for a 15-week semester, which includes two weeks for final exams. This course may also be offered via mixed mode or online.

COURSE PREREQUISITES

LAW 101, LAW 110, and LAW 210, OR 45 credits of 100-level or higher coursework.

CALENDAR DESCRIPTION

This course will examine the legal issues behind structuring and financing the tech start-up. Students will learn about early stage structuring from proprietorship to corporation and the legal advantages and pitfalls of each structure. They will also learn about the legal framework behind the angel investment round, tax incentive programs and legal liability, early stage debt financing options, investment due diligence, Series A financing, drafting the term sheet, and post Series A financing. By the end of the course, students should be able to identify a range of legal issues as well as prepare a Series A financing term sheet for a tech start-up.

REQUIRED TEXTS AND/OR RESOURCES

Ally Bharmal et al, *Financing the Tech Start-up*, (Continuing Legal Education Society of British Columbia, 2018).

COURSE STUDENT LEARNING OUTCOMES

On successful completion of this course, students will be able to do the following:

- Identify common law as well as statutory laws relevant to the business of a tech start-up
- Recognize and analyze the various legal structures used to set up a tech start-up, including the advantages and disadvantages of each
- Explain and analyze the various stages of investment
- Explain elements of the legal framework behind the angel investment round
- Research and analyze various tax incentive programs and legal liability

- Explain and analyze early stage debt financing options
- Explain and analyze investment due diligence
- Explain and analyze differences between Series A financing and post Series A financing, as well as the legal considerations of both
- Explain and analyse the various elements of a term sheet and draft a proposal
- Discuss current events and new legislative initiatives relating to tech start-ups on a local, national and international level

COURSE CONTENT

WEEKLY COURSE CONTENT	
WEEK	CONTENT
1	INTRODUCTION: Laws relevant to the tech startup business in Canada
2	LEGAL STRUCTURES: Incorporations, partnerships, proprietorships and joint ventures
3	THE PARTIES INVOLVED: Structuring the deal
4	APPROACHING INVESTORS: Practice and Pitfalls and due diligence
5	STAGES OF INVESTMENT: Early stage debt financing options and beyond
6	REVIEW
7	MID-TERM EXAM
8	ANGEL INVESTMENT ROUND
9	TAX PROGRAMS: EBC, CCPC and BC Small Business Venture Capital Act
10	DRAFTING THE TERM SHEET
11	SERIES A FINANCING AND POST SERIES A FINANCING
12	CURRENT EVENTS AND LEGISLATIVE INITIATIVES: Local, national and international
13	FINAL EXAM REVIEW
14 & 15	FINAL EXAM PERIOD

EVALUATION PROFILE

Midterm Exam	30%
Final Exam	35%
Common Share Term Sheet Assignment	25%
Class Participation Activities*	10%
TOTAL	100%

* Students will be divided into groups and will be required to discuss and analyze case scenarios and problems. Participation grade will be based on the student's fulsome participation and discussion in the activity.

GRADING PROFILE

A+ = 90-100	B+ = 77-79	C+ = 67-69	D = 50-59
A = 85-89	B = 73-76	C = 63-66	F = 0-49
A- = 80-84	B- = 70-72	C- = 60-62	

Professional Behaviour

Students must demonstrate a professional attitude and behaviour toward work, fellow students and their instructors. Each student should demonstrate reliability, respect for and co-operation with colleagues. A willingness to work calmly and courteously under difficult conditions as well as a determination to achieve first-class work while meeting deadlines is necessary in the Faculty of Business & Professional Studies. Students should have respect for equipment and systems. Students should display a constructive response to criticism.

Incomplete Grades

Grades of Incomplete "I" are assigned only in exceptional circumstances when a student requests extra time to complete their coursework. Such agreements are made only at the request of the student, who is responsible to determine from the instructor the outstanding requirements of the course.

Late Assignments

Homework assignments are due at the **start of class** on the due date unless otherwise advised by your instructor. Late assignments will only be accepted if prior approval for a late submission date has been given by the instructor.

Missed Exams/Quizzes/Labs etc.

Missed exams or quizzes will receive a grade of "0" unless PRIOR arrangements (wherever possible) are made with the instructor. Permission to make up an exam will only be given in extraordinary situations such as illness of the student or the death of a close family member. A doctor's certificate, or other proof supporting the reason for the absence, may be required.

Attendance

Regular attendance and punctuality are both essential and expected due to the nature and format of the course materials.

English Usage

Students are expected to proofread all written work for any grammatical, spelling and stylistic errors. All assignments are marked for correct English usage, proofreading and formatting. Instructors may deduct marks for incorrect grammar and spelling in written assignments.

Electronic Devices

Students may use electronic devices during class for note-taking only. The use of electronic tools such as calculators and cell phones, or other resources such as written materials, will not be permitted during quizzes and exams, unless expressly authorized by the instructor.

On-line Communication

Outside of the classroom, instructors will (if necessary) communicate with students using either their official Capilano University email or Moodle; please check both regularly. Official communication between Capilano University and students is delivered to students' Capilano University email addresses only.

Copyright Policy

Students are expected to familiarize themselves with and abide by the University's Copyright Policy. The University's Copyright Policy is published on the University website.

UNIVERSITY OPERATIONAL DETAILS**Tools for Success**

Many services are available to support student success for Capilano University students. A central navigation point for all services can be found at: <https://www.capilanou.ca/student-life/>

Capilano University Security: download the [CapU Mobile Safety App](#)

Policy Statement (S2009-06)

Capilano University has policies on Academic Appeals (including appeal of final grade), Student Conduct, Academic Integrity, Academic Probation and other educational issues. These and other policies are available on the University website.

Academic Integrity (S2017-05)

Any instance of academic dishonesty or breach of the standards of academic integrity is serious and students will be held accountable for their actions, whether acting alone or in a group. See policy and procedures S2017-05 Academic Integrity for more information: <https://www.capilanou.ca/about-capu/governance/policies/>

Violations of academic integrity, including dishonesty in assignments, examinations, or other academic performances, are prohibited and will be handled in accordance with the Student Academic Integrity Procedures.

Academic dishonesty is any act that breaches one or more of the principles of academic integrity. Acts of academic dishonesty may include but are not limited to the following types:

Cheating: Using or providing unauthorized aids, assistance or materials while preparing or completing assessments, or when completing practical work (in clinical, practicum, or lab settings), including but not limited to the following:

- Copying or attempting to copy the work of another during an assessment;
- Communicating work to another student during an examination;
- Using unauthorized aids, notes, or electronic devices or means during an examination;

- Unauthorized possession of an assessment or answer key; and/or,
- Submitting of a substantially similar assessment by two or more students, except in the case where such submission is specifically authorized by the instructor.

Fraud: Creation or use of falsified documents.

Misuse or misrepresentation of sources: Presenting source material in such a way as to distort its original purpose or implication(s); misattributing words, ideas, etc. to someone other than the original source; misrepresenting or manipulating research findings or data; and/or suppressing aspects of findings or data in order to present conclusions in a light other than the research, taken as a whole, would support.

Plagiarism: Presenting or submitting, as one's own work, the research, words, ideas, artistic imagery, arguments, calculations, illustrations, or diagrams of another person or persons without explicit or accurate citation or credit.

Self-Plagiarism: Submitting one's own work for credit in more than one course without the permission of the instructors, or re-submitting work, in whole or in part, for which credit has already been granted without permission of the instructors.

Prohibited Conduct: The following are examples of other conduct specifically prohibited:

- Taking unauthorized possession of the work of another student (for example, intercepting and removing such work from a photocopier or printer, or collecting the graded work of another student from a stack of papers);
- Falsifying one's own and/or other students' attendance in a course;
- Impersonating or allowing the impersonation of an individual;
- Modifying a graded assessment then submitting it for re-grading; or,
- Assisting or attempting to assist another person to commit any breach of academic integrity.

Sexual Violence and Misconduct

All Members of the University Community have the right to work, teach and study in an environment that is free from all forms of sexual violence and misconduct. Policy B401 defines sexual assault as follows:

Sexual assault is any form of sexual contact that occurs without ongoing and freely given consent, including the threat of sexual contact without consent. Sexual assault can be committed by a stranger, someone known to the survivor or an intimate partner.

Safety and security at the University are a priority and any form of sexual violence and misconduct will not be tolerated or condoned. The University expects all Students and Members of the University Community to abide by all laws and University policies, including B.401 Sexual Violence and Misconduct Policy and B.401.1 Sexual Violence and Misconduct Procedure (found on Policy page <https://www.capilanou.ca/about-capu/governance/policies/>)

Emergencies: Students are expected to familiarise themselves with the emergency policies where appropriate and the emergency procedures posted on the wall of the classroom.