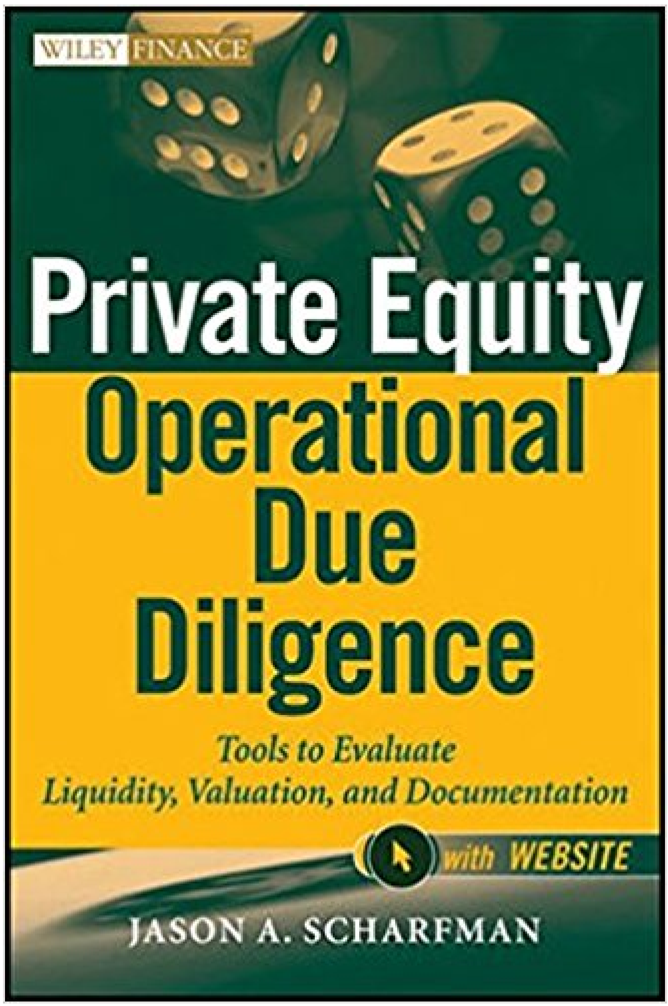
Private Equity Operational Due Diligence, + Website: Tools To Evaluate Liquidity, Valuation, And Documentation



Synopsis

A step-by-step guide to develop a flexible comprehensive operational due diligence program for private equity and real estate funds Addressing the unique aspects and challenges associated with performing operational due diligence review of both private equity and real estate asset classes, this essential guide provides readers with the tools to develop a flexible comprehensive operational due diligence program for private equity and real estate. It includes techniques for analyzing fund legal documents and financial statements, as well as methods for evaluating operational risks concerning valuation methodologies, pricing documentation and illiquidity concerns. Covers topics including fund legal documents and financial statement analysis techniques Includes case studies in operational fraud Companion website includes sample checklists, templates, spreadsheets, and links to laws and regulations referenced in the book Equips investors with the tools to evaluate liquidity, valuation, and documentation Also by Jason Scharfman: Hedge Fund Operational Due Diligence: Understanding the Risks Filled with case studies, this book is required reading for private equity and real estate investors, as well as fund managers and service providers, for performing due diligence on the noninvestment risks associated with private equity and real estate funds.

Book Information

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Customer Reviews

"An interactive guide for investors that explains what they should be looking for from private equity funds before they invest." (Opalesque, September 3, 2012)

Private Equity Operational Due Diligence: Tools to Evaluate Liquidity, Valuation, and Documentation Though not as prevalent as hedge funds, lucrative private equity and real estate funds handle billions of dollars versus hedge funds' millions. Because of the vast amount of money invested in these funds, it is imperative that investors perform operational due diligence. Written to persuade Limited Partners once and for all of the benefits of performing and maintaining a robust operational due diligence program, Private Equity Operational Due Diligence arms you with the tools to develop detailed, agile, comprehensive, and ongoing operational due diligence reviews. Addressing the unique aspects and challenges associated with private funds, author Jason Scharfman shares his decades of experience performing due diligence on the non-investment (i.e., operational or business) risks associated with private equity and real estate funds. Beginning with a brief history of operational risk coupled with the unique aspects of operational due diligence on private equity funds, Private Equity Operational Due Diligence analyzes the approaches to valuation, legal, and financial statement risks. User-friendly flag icons throughout the text highlight key operational risk areas and deficiencies that have historically tended to signal larger problems. In this step-by-step guide, you'll discover: Operational risk compared to operational due diligence Understanding the goals of the operational due diligence process Designing an operational due diligence program for private equity Key risk consideration areas Cash management and controls Business continuity and disaster recovery Valuation committee review scope Operational due diligence specialists versus generalists Trends in indemnification and exculpation clauses Fraud considerations: mortgage fraud and straw man borrowers Evolution of Minimum Operational Risk Regime (MORR) Ongoing fund monitoring techniques Private equity fund advisory boards Different types of advisory boards: Limited Partners versus Pure Advisors Case studies and scenarios Trends and future developments Use of third-party administrators Impact of Dodd-Frank on operational due diligence A companion website includes sample checklists and templates to assist with the techniques outlined in the book, including spreadsheets for financial statement analysis and legal document analysis, as well as links to various laws and regulations. It's time to give operational due diligence its due respect with Private Equity Operational Due Diligence.

I have been very disappointed in this book. I don't understand why it took nearly one hundred pages to (1) give a basic understanding of what operational DD is and (2) why it's important. Given it's subtitle, "Tools to Evaluate Liquidity, Valuation and Documentation", it should have moved quickly to that. One gets the sense that the book's purpose is to sell the services of Corgentum Consulting, which of course performs operational DD on private equity funds. In short, enough in the book to (1) justify the need for operational DD and (2) tease the reader on CG's ability. This is obviously not the first time that someone has written a book to pitch their services, but it was not what I was expecting. If one is going to buy and read it, I recommend skipping most of the first 90 some odd pages to get to the meat of the book.

As an expert in fraud investigations, I am anxious to read what others are saying about how to protect investors from the ever present threat of fraud, recklessness, and negligence. Far too often I read repetitions of the age old axiom "If it sounds too good to be true, it probably is," which has proven so ineffective at stopping the scrambling of retirement nest eggs, college endowments, and pension funds. Jason A. Scharfman's Private Equity Operational Due Diligence is different and, for those wise enough to read it, can make a difference between investment success and professional ruin. I enjoyed his observations on why many operational due diligence investigations stop short of a thorough investigation and his answers to the commonly proffered objections to performing a truly thorough investigation. Likewise, his thoughts on effective interview techniques and proper question design are spot on. As a practicing attorney and former SEC Enforcement Attorney, I enjoyed Jason's explanation of how properly to assess a private placement memorandum. That discussion alone stands a good chance of saving fortunes. While his careful assessment of the relevant accounting and mathematical concepts that come into play were over my head, I expect that they hold great wisdom for those trained to understand them. Any investor, investment adviser, or due diligence expert who moves forward with a private equity investment without first reading this book is leaving powerful ammunition unfired. Here is a tool that can help you succeed. Please read it.Pat HuddlestonAuthor of The Vigilant Investor[[ASIN:0814417507 The Vigilant Investor: A Former SEC Enforcer Reveals How to Fraud-Proof Your Investments]]

It seems as if after Madoff, investors may have taken for granted that General Partners knewwhat they were doing about operations. Scharfman outlines both how not all General Partnershave best operational practices. While only a handful of private equity funds may be fraudsinvestors still have to evaluate the quality of fund operations. This book outlines some keyconsiderations to perform due diligence on including back office trade operations, and serviceproviders. I also thought the guidance on valuation approaches was very helpful. A good read.

A well detailed overview of a very interesting topic. The advice in this book is very useful. Ihadn't thought of how operational due diligence similarities are present among different assetclasses like hedge funds, real estate and private equity. This book raises some good pointsabout this and shows the similarities and differences among each. If you don’t think that thistype of work is important, Limited Partners should read the case studies in fraud.

I liked this book. I think many Limited Partners assume that General Partners have all theoperational issues covered. They don’t - and this book shows not only how to evaluate thequality of General Partner’s operations but also how to determine how well they keep their eye on theball. The author is spot on about the importance of over performing due diligence onvaluation procedures and the book has a good overview of different approaches on this.

Scharfman takes a direct approach to a complex topic that has been ignored for too long. After reading this book it is clear that the operational functions of private equity funds are just as important, if not more important than the investment side of the business. I also like how the book provides historical perspectives and case studies.

Documentation Series) Handbook of Home Health Standards - Revised Reprint: Quality, Documentation, and Reimbursement, 5e (Handbook of Home Health Standards & Documentation Guidelines for Reimbursement) The Masters of Private Equity and Venture Capital: Management Lessons from the Pioneers of Private Investing (Professional Finance & Investment) How to contact customer service by phone and website -: (customer service phone, Screenshots included for website! BONUS AT THE END)