

# STRADLEY RONON CLOSED-END FUND PRACTICE



## What Stradley Brings to Closed-End Funds

### Our Practice

Stradley Ronon's top-ranked investment management group represents closed-end funds (CEFs) and their sponsors, investment advisers and boards of directors in connection with securities offerings, structuring leverage, periodic disclosure requirements, compliance matters, proxy fights and related topics. Our clients include some of the most prominent and innovative CEF sponsors, complexes and boards in the United States. We represent CEFs including traditional listed CEFs, interval funds and tender offer funds in marketing their shares via offerings on national stock exchanges and through private placements. We serve as counsel to CEFs, investors, industry trade groups and other law firms regarding complex issues arising under the federal securities laws, and the rules and regulations of national stock exchanges and FINRA.

We also serve as legal counsel to CEFs, their boards and investment advisers (including as independent legal counsel to independent directors/trustees) defending against activist investors. Stradley Ronon guides CEFs in their dealings with activist and dissident investors, including drafting SEC no-action letters to exclude shareholder proposals, managing proxy contests and representing our clients in related litigation.

### Your Issues

Stradley Ronon assists with all legal issues throughout a CEF's life cycle, including:

- **Activist and Dissident Investors** – Strategizing for shareholder solicitation campaigns, drafting aggressive proxy statements and fight letters, and holding activists accountable for violations of the federal securities laws. Also handling related litigation and negotiations, as well as making regulatory filings in connection with tender offers or other transactions negotiated by CEFs in their dealings with activist investors.
- **Initial Public Offerings** – Guiding CEFs through all phases of the initial public offering, including the filing of and amendments to the registration statement, negotiation of the underwriting/distribution agreement, stock exchange listing and the review of marketing materials.
- **Innovative Product Structures and Leverage Vehicles** – Assisting CEFs in developing innovative product structures, including target term funds, term funds featuring the potential to convert to perpetual funds, and designing creative leverage vehicles, including new types of term preferred shares, and bringing these new products to market.

## Ranked in Band 1 Nationwide Registered Funds



Filing more than **80**  
exemptive applications  
over the last **10** years.



**Consecutive  
Top Tier  
Rankings  
2017-2023**

*The Legal 500  
for Mutual/  
Registered/  
Exchange-  
Traded Funds*



# Stradley Ronon's Closed-End Fund Practice

- **Interval Funds** – Assisting clients in creating and offering interval funds products, including drafting regulatory filings for periodic tender offers, negotiating distribution agreements with sales platforms and other dealers, obtaining exemptive relief or multi-class and distribution fee structures, and addressing regulatory issues for funds that offer alternative investments.
- **Addressing Market Price Discounts** – Assisting CEFs in developing managed distribution plans, periodic tender offers, SEC exemptive applications for periodic capital gains distributions, and other measures designed to assist CEFs in addressing persistent market price discounts to net asset value.
- **Fund Reorganization and Mergers** – Assisting clients with product rationalization through mergers of CEFs that allow for asset retention and preservation of leverage.
- **Board, Committee and Shareholder Meetings** – Counseling CEF sponsors and boards on all aspects of preparing for, attending and documenting registered CEF board, committee and shareholder meetings.
- **Exemptive Orders and No-Action Letters** – Seeking novel exemptive or no-action relief to provide clients with a competitive advantage or cost-effective routine relief.
- **Periodic Disclosures** – Preparing and reviewing shareholder reports and annual proxy statement disclosures in response to changing markets and regulatory guidance.
- **Regulatory and Compliance Issues** – Navigating clients through complex compliance issues related to new or novel investment concepts, leverage products and underwriting arrangements, as well as issues arising from returns of capital and multiple capital gains distributions.
- **Regulatory Investigations and Enforcement** – Guiding clients through SEC or other federal and state regulatory investigations and enforcement actions.
- **Tax** – Addressing tax issues arising in the formation, operation and distribution of CEF shares, and those arising from post-offering dividends and distributions and special transactions.
- **Shelf Offerings, At-the-Market Offerings and Other “Follow-On” Offerings** – Preparing registration statements, negotiating sales agent arrangements and handling closings related to shelf offerings, at-the-market offerings and other forms of “follow-on” offerings, including rights offerings.
- **Preferred Share Offerings** – Handling public and private offerings of preferred shares used for leverage and for refinancing existing leverage vehicles.
- **Credit Facility or Borrowings** – Conducting public and private offerings of debt securities and commercial paper used for leverage, as well as negotiating bank borrowings; and assisting CEFs with alternative forms of leverage such as tender option bonds and mortgage dollar rolls.

## Contact Our Team



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