

June 24, 2021

PEOPLE MOVES

Kelli L. Moll Joins Proskauer's Private Funds Group

By Robin L. Barton, *Hedge Fund Law Report*

Proskauer recently announced the arrival of Kelli L. Moll as a partner in its private funds group. Based in New York, Moll's practice focuses on counseling investment advisers on the formation and ongoing operation of hedge, credit and growth equity funds. She regularly advises fund sponsors on fund formation, co-investment arrangements, upper tier arrangements, seed capital arrangements, asset manager M&A, complex fund restructurings, funds-of-one, managed accounts and various regulatory issues.

"I had a really good opportunity to expand my practice at Proskauer," Moll said. "Some of the things that attracted me to the firm are its level of commitment to the private funds industry; the depth of the team; and the level of investment it has made in building out technology and other innovative solutions for client service."

"The primary thrust of my practice is fund formation work, which spans hedge funds, [hybrid fund structures](#) and completely closed-end structures. On the hedge funds side, it's really all asset classes and all kinds of trading strategies," explained Moll. "On the hybrid and closed-end side, I predominantly practice in the credit and growth equity spaces. I also do a lot of ancillary work that touches those clients,

including related compliance work, upper tier structuring and compensation arrangements." In addition, she said that she occasionally provides fund-level expertise in connection with transactional work, "whether it is a seed transaction for a fund launch; a GP-stake transaction for a mature manager wanting liquidity; or acquisitions or spinouts of investment teams."

See our two-part series on key terms in seed deals: "[Structuring the Seeder's Interest, Key Person Covenants and Lock-Ups](#)" (Oct. 12, 2017); and "[Consent Rights, Indemnification and Manager Buyout Rights](#)" (Oct. 19, 2017).

One of the areas that Moll described as "particularly hot" the last year on the investing side has been the growth equity market. "I have a number of clients doing a lot of growth equity investments – otherwise known as late stage venture," she noted. "That includes venture clients that need a hedge fund or hybrid vehicle to accommodate publicly traded securities and hedge fund clients that are looking at venture investments and really need to understand that segment of the market."

"The new marketing rule was a welcome change in terms of addressing some longstanding practices and modernizing a rule

that had existed for a very long time and that really grew up under a no-action letter practice as opposed to a more comprehensive approach. From that perspective, it's welcome," Moll commented. "The long implementation timeline is going to be particularly helpful. Managers are going to be spending a lot of time on how to adopt sub-advisers' materials in marketing platform arrangements, and I expect negotiation of the liability associated with those marketing activities."

See "[The New Marketing Rule: Key Elements and Commissioner Concerns](#)" (Mar. 4, 2021); and our two-part series on the new marketing rule: "[Key Takeaways for Private Fund Managers](#)" (Mar. 18, 2021); and "[Next Steps for Legal and Compliance](#)" (Mar. 25, 2021).

Moll was skeptical that private fund managers would take advantage of the ability to use testimonials in their marketing. "For a long time, institutional investors have been very suspect about managers' using their names in marketing to other institutional investors. So, I don't think that's going to be a big part of what the private funds industry is going to be looking at in terms of the marketing rule," she opined. "As for using social media and whether a 'like' is considered a testimonial or endorsement, however, the rule provides some relief in that area and may be appealing to some private fund managers – not at the fund level but at the firm level."

See "[How to Navigate the Testimonial Rule in the Age of Social Media: Handling Clients' Online Reviews](#)" (Aug. 2, 2018).

In terms of trends in the private funds industry, "during the pandemic, there was an

acceleration of interest in credit dislocation strategies and in the tech and healthcare spaces as areas of investment opportunities for funds. The other area that is continuing to get a lot of interest is the special purpose acquisition company (SPAC) market," noted Moll. "All kinds of funds – whether hedge or private equity – are interested in those investment opportunities, including public SPACs and the private investment in public equity (PIPE) segment of the SPAC investing world." She added that SPACs bring "a lot of attention to conflicts of interest," and "managers are focusing on whether SPAC investments will be part of a separate fund strategy or an adjunct strategy to an existing product."

See "[Acting Director of SEC Division of Corporate Finance Explores SPAC Disclosure Liability](#)" (Apr. 22, 2021). For more on PIPEs, see "[Could the SEC Use Dealer Registration Requirements to Target Investors in PIPE Transactions?](#)" (Nov. 5, 2020).

"There still is a lot of interest in the credit markets, including the collateralized loan obligation space, direct lending and the distressed credit space. I expect that those trends will continue into next year," Moll observed. "Cryptocurrency, again, is getting a lot of interest and play in the marketplace. We're seeing that in our practice in terms of the number of inquiries from clients looking at crypto as an asset class in which they may want to trade and invest."

From a fund formation lawyer's perspective, Moll explained that any one of those new investment opportunities raises numerous questions, including:

- What have we disclosed?
- What's the level of illiquidity in the asset class?
- How do we structure this investment within the current fund structure, or do we want to have a different product?
- What are the attendant risks for investors?
- How much does the manager want to trade?
- What are the valuation implications?

See ["SEC Commissioner Examines Regulatory Approach to Digital Assets"](#) (May 6, 2021).

As a woman working for more than 25 years in a [male-dominated industry](#), Moll expressed gratitude for the great mentors – both male and female – that she has had throughout her career, as well as support from her mainly male clients. "At the end of the day, good work, good client service and thoughtfulness are what

clients care about, notwithstanding gender. In terms of changes in the industry, there are definitely more women inside private fund firms than there were earlier in my career," she said. "As the GC, CCO or CFO is mostly where you'll find very senior women that are part of this industry. I have also had the opportunity to work with women-owned private investment fund firms a few times. Hopefully, that trend will continue going forward."

For additional insights from Moll, see our three-part series: ["How Can Hedge Fund Managers Reconcile Effective Monitoring of Electronic Communications with Employees' Privacy Rights?"](#) (Apr. 4, 2014); ["Three Best Practices for Reconciling the Often Conflicting Sources of Privacy Rights of Hedge Fund Manager Employees"](#) (Apr. 11, 2014); and ["Six Privacy-Related Topics to Be Covered by a Hedge Fund Manager's Compliance Policies and Procedures"](#) (May 23, 2014).