



Yoni Levy



Chelsea Childs

Yoni Levy: Welcome to *Scope of Practice*, a podcast that opens a window for an inside look into different practice groups and the lives of attorneys in those groups here at Ropes & Gray. I'm Yoni Levy, an associate in our asset management group, based in Boston. On this episode, I'm joined by Chelsea Childs, an associate in our asset management group, based in San Francisco. Hi, Chelsea.

Chelsea Childs: Hi, Yoni. Thanks for having me on the podcast.

Yoni Levy: Absolutely. A treat for all of us, I'm sure. To begin, why don't you just tell us a little bit about yourself—introduce us to your career and who you are.

Chelsea Childs: I'm a senior associate in the San Francisco office in the asset management group. I've been with Ropes & Gray for a little over two-and-a-half years. I was a lateral associate from another firm and I'll give you a little bit of background, I guess, of how I got there and why I decided to leave my prior firm for Ropes & Gray. I graduated from Boston University in 2011, and I started as a first-year associate at another large law firm in Boston.

Yoni Levy: Were you doing the same line of work at your old firm?

Chelsea Childs: I was, yes. I was in the asset management group there in my old firm, and I focused exclusively on registered funds. My practice has evolved since joining

Ropes, and now I do both registered funds work and private funds work. That was one of the reasons why it was attractive to me to join this firm—it was more welcoming to having a broader practice, which I was interested in.

Yoni Levy: Did your prior firm do both types of work, but you were just put into a box, or in general, your firm only did the registered funds space?

Chelsea Childs: They primarily did registered funds. There was some private funds practice, but the strategy of the firm was to be a little bit more specialized. There are certainly lawyers here at Ropes who are very specialized as well, but there's also more attorneys who are doing a little bit more of a jack-of-all-trades, if you will.

Yoni Levy: Yes, and listeners will remember from the prior podcast, if they've had a chance to listen to the last episode, that there is a major hub of work at Ropes that's built around asset management, so it's not surprising that we have large practices in the private funds and the registered funds space. Maybe now would be a good opportunity to just briefly remind listeners what the difference is between registered and private funds? And then maybe you can use that as a jumping-off point to explain to us why you wanted to diversify your practice out of just registered funds and, I guess conversely, why you wanted to keep your foot in the registered funds space as well?

Chelsea Childs: Registered funds are mutual funds, exchange-traded funds, and also closed-end funds, which are regulated quite heavily under the Investment Company Act of 1940. They are registered with the SEC (the Securities and Exchange Commission), and because of that registration, there are a lot of regulatory restrictions and filings that have to be made. They're much more conservative from an investment standpoint than private funds, so hedge funds or private equity-style funds, which are generally not available to retail investors because they don't have the same protection that registered funds do. So, the difference, although they're both funds and they sometimes even have relatively similar investment strategies from a broad perspective, the practice of representing private funds or representing registered funds is actually quite different. There's a lot of different skills

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involved in both, with the registered funds space being more regulatory in nature, and then the private funds space being a little bit more, I would say, business-focused—negotiations play much more of a role in private funds work than registered funds work.

Yoni Levy: Interesting. I actually spent two years doing registered funds work, and then shifted out of the space to doing only private funds work, mostly because in the dynamic you described—I found that to be the case too, and the regulatory work just did not appeal to me quite as much.

Chelsea Childs: A lot of junior associates who think they might be interested in asset management often are more attracted to private funds work before they know anything about either type. I think that’s just because you see shows like *Billions* on Showtime and things that are a little bit more sexy, if you will, for private funds, hedge funds. Whereas registered funds, these are the things that go in your 401(k)—they’re not quite as exciting in some regards, but that doesn’t at all mean that the work that we do on them is not as exciting. The reason that I really like doing both types of work is because it keeps things interesting. On the registered funds side, it’s a little bit more of legal analysis. Often, you have to analyze, “My client is a fund that wants to engage in this type of investment strategy. Is that allowed?” There are restrictions on the amount of leverage, for example, that a registered fund could incur. You would have to look at the regulations and see if that’s permitted, and you work them, the client, to figure out how they can craft their strategy within the confines of those regulations. So, it’s little bit more like what you learn in law school about taking a statute or taking a rule that’s been promulgated by an administrative agency, and applying it to the facts, which is what I liked—I really enjoyed that challenge in law school. But then, you also have on the private funds side, negotiations with investors where the world is your oyster in terms of what you are able to agree to or not from a legal perspective, and it’s more business considerations that are guiding those decisions.

Yoni Levy: I find it fun to be a part of those commercial discussions and in the trenches with your clients on them. We should mention, also, that there is a regulatory aspect to private funds. Of course, a large part of it relates to making

sure that you’re not caught by the Investment Company Act, that you fit within some exemption. And that’s a somewhat major focus of our practice as private funds lawyers, but also as investment advisors themselves have to be registered or have some exemption from the Investment Advisers Act, and the offerings of the securities have to have some exemption from the Securities Act, so there is a fair amount of overlap in terms of the statutes we have to consider. It’s just how applicable each statute ends up being will depend on whether it’s fully applicable to you or only partially. And as Chelsea said, in the registered funds space, of course, it’s fully applicable to you, so you’re subject to the full gambit of the rules and regulations, which tends to make it more regulatory-focused overall. But, of course, there are attorneys in the private funds space who manage to have a private funds practice that’s focused entirely on those rules that do apply to private funds and advisors. Also, there can be rules about trades and the like, so there’s still a regulatory world within the private funds space as well. I think a large part of what attracts people to that is that same intellectual itch that I think Chelsea was describing, where you get to really dive into and engage in analysis of statutes. I think there really is regulatory work to be found in both spaces if you’re looking for it—I just think in the registered funds space, it’s more prevalent and less the emphasis in the private funds space. But probably, also the reciprocal is true on the commercial stuff—there’s certainly commercial considerations you go through with your clients on the registered funds side, it’s just less of a key factor than on the private funds side. Is that right?

Chelsea Childs: Yes, that’s definitely right. One of the other soft skills that I like, that come up in the registered funds space, is advising the boards of trustees of the registered funds. That is a requirement under the Investment Company Act, that every registered fund would have a board of directors or trustees, a majority of whom are typically independent from the investment advisor that runs that fund. These are people who maybe used to be a CFO and they’re retired, and now they sit on the board. We advise the board in many cases, attend the board meetings, and prepare the board materials and minutes. And that aspect of the registered fund practice is really satisfying to me

because your client is more of a regular person—it's a director or a trustee, rather than a fund or an advisor entity. So, you are able to be in a little bit more of an advisory role with somebody who doesn't have the background. If you are advising a client that's at an investment advisor, your client typically has the same/similar background to you—maybe you're the expert, but the client knows what the law generally is, whereas that's not the case on the board side. And so, you're starting a little bit from the basics, which can be an interesting aspect as well.

Yoni Levy: That's fascinating. Do you go to the actual board meetings?

Chelsea Childs: Yes, that's one of the best parts. You get to go and rub elbows with the trustees. They'll have dinners and drinks. And it's also fun from a social aspect as well.

Yoni Levy: That's really cool—that sounds like it's a really good time. I'll say, part of what you said resonated with me on the private side in that one of the areas of my practice that I enjoy the most is when I'm working with first-time sponsors. Typically people who have left other firms where they had a very narrow scope where they invested in deals—they did deals and they were very successful, and now they want to start their own management company, their own firm to run. And so, they know a lot, like you're saying, about how to run deals and make deals, but they don't know a ton about how to set up a sponsored entity, about how the arrangement should go on an employment perspective, how the arrangement should go in terms of the terms of the fund, because sometimes, they came from such a big organization that had a million people in it and they were focused on making investments, not on whether they were complying with the partnership agreement or the like. And so, I also very much like that. When it feels like you're advising a person, I agree, I like that too, and it feels more like you're a real value add.

Chelsea Childs: Absolutely—when you really can show that you're the expert.

Yoni Levy: Right, exactly. Something I like to ask people, because I think it's a point of curiosity for law students, is how your practice compares to other practices in the firm inasmuch as you're familiar with them in terms of the timelines, the client relationships you have, and the types of tasks. But in your case, I'm wondering if you could talk to us a little bit about that, but also since you have a two-part practice where you have two different focus areas, if you

could give us a sense of how maybe those two areas are different within your own practice?

Chelsea Childs: They are quite different in terms of the timelines. I would say in terms of the client relationships, which is what I like most about the field of asset management in general, they're relatively similar. What I mean by that and what's different, I think, than your typical corporate transactional practice like M&A, for example, is clients engage us on a long-term basis to represent the advisory entity in its business or represent a fund throughout its life rather than just being engaged for particular events. So, litigation, for example. There's a case. You're engaged to represent the client in the case. The case is over. You win or you lose, and then the client goes away until maybe the next time they get sued. And hopefully, you try and win that business again. Similar with M&A. You're engaged for a deal. Then the deal happens, or it dies. And then the client goes away with the deal. Whereas that's not the case in asset management—even if we are being engaged for a particular fund launch for a manager, the relationship still lasts after that fund has already launched. And because of that, you're able to develop more long-term personal relationships with your clients, which is not only great for being able to advise them better, you learn more about their business and more about their personal preferences, but it's also great from a networking perspective because if ever you decided you want to look at in-house opportunities, you have a little bit more of a view of what an in-house role might look like. You also have, probably, better relationships with attorneys who are currently in-house. So, I like that client relationship aspect very much about asset management, and I think it's quite different from a number of other practices.

Yoni Levy: I've found that too, that that's the case, that it's very long-term. To piggyback off of what you're saying, you get the opportunity to feel a little bit like you're their internal lawyer because it's such an ongoing relationship. And then the things you learn about their business really helps you provide better service to them on an ongoing basis because you'll be looking through their conflicts disclosure and you'll say, "I remember we discussed that you're hiring this advisor to do XYZ. I'm not sure that's really covered here." When you have an ongoing relationship with the client and you feel really integrated into the things they're doing, you're able to provide better value to them in the big picture. Then also, I think you're able to provide value to the firm. A lot of the work that we do on the deal side are deals for clients that are

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fundraising clients. Of course, different parts of the firm feed work to each other all the time, but I think a big source of that directed work is from funds clients who are then looking to do deals.

Chelsea Childs: Absolutely—that’s definitely true. In that second question—part of that question you asked about timelines and the types of tasks—and that’s where I do think it differs quite a bit between registered funds and private funds. Registered funds, I mentioned earlier, they’re regulated by the SEC and there are a number of filings that you have to make, both annual, so the offering documents of a registered fund need to be updated annually, whereas on the private funds side, some managers may decide to do that, but that’s not a regulatory requirement. The shareholders of the registered funds also need to be provided with semi-annual financial statements and shareholder reports. There are monthly filings that are required as well. So, there’s a number of periodic filings that happen at the same time every year, every quarter, and in that way, it’s quite predictable. So, you’re able to plan a vacation a little bit better, maybe because you know, “My client’s annual updates occur at this time, and then I’ll book a vacation afterwards.” Whereas on the private funds side, you don’t always get that same predictability. If you’re working on a hedge fund that has quarterly subscriptions, you might be able to plan around that because you know, “Investors are likely going to be coming into the fund this quarter. I’ll be engaging in negotiations with them, so that will be a busy time.” But in terms of when a fund is launched, the timeline for fund launches differs, as you know, very differently from fund to fund. So, I think the registered funds work is just a little steadier and more predictable than the private funds work.

Yoni Levy: Yes, that’s certainly consistent with what I’ve heard and, I think, seen over the years. I like to say that I think it’s a bit of a spectrum where probably even less predictable and the people in that group would probably say more exciting is the straight-up M&A deal work or the IPOs—that world where there’s really a pressing timeline because a deal needs to close before valuations go stale or before an exclusivity period ends, etc. where there’s really, really a tight timeline. Whereas, as Chelsea alluded to, there’s

somewhat less predictability as compared to a registered fund in the private funds world, but it’s also largely being driven by just the commercial discussions with your client on when it makes sense to hold a closing, for example. And so, it’s somewhat more predictable, I think, than most deal work where it’s run, run, run and then pause—and then run, run, run and then pause. We have more of an ongoing steady pace. I think probably registered funds work is more like a marathon overall, but there’s a spectrum of how demanding the timelines can be.

Chelsea Childs: Yes, I agree with that.

Yoni Levy: How do you find that the work in terms of the types of tasks you’re doing is different? I imagine that, I think you alluded to this earlier, that the registered funds work involves more research, for example, but what about drafting? Are you drafting lots of formal memos on the registered side? I know on the unregistered side, on the private side, I don’t do a ton of memo drafting. I do lots of client calls, maybe some LPA and side letter drafting, negotiation calls, those kinds of things, but not a lot of formal drafting or research. What are your tasks like in each of your practice areas?

Chelsea Childs: There is definitely—you’re right about that—more drafting of research memos and the like on the registered funds side, and a lot of those are pieces that are targeted towards the board. I mentioned earlier, these are the stewards of the fund, if you will, and so, they have these duties and we will write memos describing their duties, and they’ll be included in the board materials. A description of a new fund that’s being launched, we would probably write a memo on that and describing the strategy and what the requirements are for the board to approve the agreements on behalf of that fund. So, there are definitely more opportunities to flex your writing muscles, if you will, on the registered funds side. But both types of funds have offering documents that need to be drafted. They both have either a private placement memorandum or a prospectus with respect to the registered funds. They both have governing documents. So in that sense, the drafting is relatively on par, I would say. In terms of client calls, the calls that we have

on the registered funds side are typically not negotiation calls because the investors in those funds don't have the opportunity to negotiate—you just purchase shares of the fund at the net asset value of the fund or at the price that's listed on the exchange, unlike a private fund where there's an opportunity to negotiate certain discounts or other types of information rights or something. So, there's less negotiation on the registered funds side, but still a lot of calls on both practices.

One of the interesting projects that I'm working on right now, actually, it's pretty fun for me because I'm relatively unique in doing both registered funds and private funds, and one of my clients has recently given me the opportunity to use both in this project. So, it's a registered fund that is looking to invest in private funds—it enters into side letters with these private funds, which are much different than your typical private fund side letters, but it's still a negotiation nonetheless. And that is fun for me because a lot of the things that we're trying to negotiate in these side letters are requirements that my client, the registered fund, has to comply with because it's subject to the Investment Company Act. I'm negotiating these provisions with other private fund lawyers at other firms who are not very familiar with the Investment Company Act because, as you said before, in the private funds side, you're only trying to make sure that you're not in scope, and then that's it. So, they're not familiar with what these requirements are.

Yoni Levy: Yes, it's fun when something hits on the sweet spot of where you really feel like you're the best-suited person to work on it. I think the product you raise, as an example, is a perfect illustration of how I think when I talk to law students a lot of times, it seems like their understanding is that there's firm-rigid buckets, and you're in one bucket or the other bucket—if you're doing X kind of work, you can't do Y kind of work. That's really not the case—there's really a whole gambit of work within each group, like I was saying before about there being lots of regulatory work even within the private fund space. The same is true, for example, of transactional work. A major focus of my practice of late has been on transactions that fit more in the asset management bucket than in the classic M&A bucket, and that's because there are transactions that happen all the time within our space. And the same thing, like you're saying, there's not always a rigid distinction between registered and unregistered funds. I think that the case that you showed is a perfect illustration of that, of why coming to a firm like Ropes for your legal services is fantastic because you can find a

lawyer like you who knows a ton about both registered and private funds.

Chelsea Childs: Yes, and whenever you don't, you're working on a project that is new to you, there is almost always somebody in the firm who has done something similar, if not identical, which is great. So, we're able to pick their brains and use those synergies too.

Yoni Levy: Yes, exactly. I think an important point to keep in mind is that everyone's learning something at some point. No one is born with knowledge of how funds work, and most of us don't even learn anything about it in law school. That's the purpose of being at a firm with a network like this, is that you're always going to be doing something for the first time, at least once, so at least you have the support there to help teach you through it. Speaking of that, were there any classes that you found in law school that were particularly helpful or maybe that you took outside of law school? Or did you have any background experience otherwise in the funds space before you joined your last firm?

Chelsea Childs: I did not have any background before I joined my last firm. With the exception of a brief six-month internship, I basically went to law school right out of college. Being a strong writer is really important. Things like security regulation or corporations, while they provide you a helpful background when you're starting out, we really give you all the tools that you need to do the job at Ropes, so I don't think that law students necessarily need to be concerned about taking any particular classes. I would say take what you think is going to be interesting. When you get here, we'll train you up and make sure that you know what you need to know, whether or not you have any prior background in the space.

Yoni Levy: What's great is that you were not there for the recording of our last episode, but you basically just entirely agreed with what I said there, so that's fantastic for listeners to hear that that's generally a true point, that you really don't have to worry about which particular classes you're taking or about having a background, as I mentioned. How have you seen your practice, your personal practice growing? How do you see it continuing to grow? And how does that fit into the group and the firm generally?

Chelsea Childs: I think I'll answer the question with respect to the asset management practice in San Francisco because I would like to just showcase the fact that we're doing a lot of really exciting things in San Francisco in client development and business development initiatives, and that was one of

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the things that really attracted me to Ropes & Gray in San Francisco. I started in Boston at another large firm. I moved to the San Francisco office of that firm about five years ago. And then lateraled to Ropes at the beginning of 2019. The reason I decided to leave was that I was looking for a more active asset management practice in San Francisco, both in terms of number of people in the office, and then also in terms of the work opportunities. Now, I get to do private funds, where I didn’t get to do that at my prior firm, and business development opportunities. So, when you ask where I see my practice growing in the coming years, I really see it developing out of a lot of the initiatives that we have going on in the San Francisco office, in particular, with respect to our asset management group.

One of the things that one of our partners, [Melissa Bender](#), has started recently, a couple years ago, was a Women in Asset Management Network. It’s a group of women who are at our clients, they’re service providers to our clients, or prospective clients. It includes the asset management attorneys in our firm. It’s mostly a social gathering, but they’re all women in the asset management space, both registered funds and private funds, and regulatory-type focuses. We do quarterly events, in-person originally. Currently, we’ve been doing more virtual types of social events. But it’s been a really satisfying way to engage with clients and to meet potential new clients. And that entrepreneurial spirit is one of the things that really attracted me to Ropes San Francisco. I think that that is where I just see that continuing, and I think that my practice, in particular, will benefit from those efforts.

Yoni Levy: I think this plays into what you were just telling us about, having that Women in Asset Management Group, but what is the culture of the group generally? Maybe you want to talk a little bit about what the San Francisco office culture is like in terms of formality, mentorship, relationships between various parties, and how you found both formal and informal mentorship within the firm.

Chelsea Childs: The San Francisco office, I would say is more informal in a number of ways than some of the East Coast offices. I think that’s just generally true across

organizations—West Coasters typically seem to be a little bit more laid back. When I first joined my prior San Francisco office from Boston, people were always saying, “Why do you dress up so much?” And I kind of continued that, and I’m probably one of the more formal dressers in the San Francisco office, so it does have a laid back, West Coast vibe to the extent that one can find that in a big law firm. But in terms of mentorship, that leads to a lot of informal mentorship opportunities. I think there are probably about 70 attorneys in total in San Francisco, including the asset management group—everybody knows everybody. So, there are a lot of opportunities to just go down the hall, or meet or chat with somebody in the lunchroom and to pick their brain about something that you’re working on. Or for junior associates to say, “I’m working on a project with this partner directly. Have you worked with him before? Do you have any tips of what his preferences might be?” for example. So, those types of conversations are pretty prevalent when we’re all in the office. There are also formal mentorship opportunities as well. When an associate joins the firm, they are assigned a formal partner mentor and also an associate mentor. Those are people that you can go to with silly questions or to just talk about where you want your practice to go, what types of work you’re looking for, or just generally make a relationship and go out to lunch and have fun, and that’s it. So, those formal mentorships are important, but I think the really valuable ones come from the more informal discussions and relationships that you develop either with working with somebody or just having them be your office neighbor.

Yoni Levy: Yes, I found that too. I find it funny to hear people describe the Boston office as more formal because I always think of the Boston office as very informal, as compared to some of the New York-based firms. I remember when I was interviewing and I interviewed at a firm in New York, and part of the pitch was, “You don’t have to wear your jacket when you’re in your office. If you walk around the hallway, you should be wearing your jacket.” In the Boston office, if you’re wearing a jacket, people assume you’re either going to meet with a client or you have some sort of interview. There’s definitely no general suit-wearing in the Boston office, but I guess there isn’t a ton of ripped jeans-wearing either, if that’s what you’re saying.

Chelsea Childs: Still no ripped jeans—we're not there yet. We still have to look somewhat presentable. But there are sneakers—sneakers in good shape that appear from time to time, I'll say that.

Yoni Levy: I think it's a different world out there. I think there's a Women's Circle here in the Boston office—I think there's probably one in each of the offices. I know you talked about the external asset management women's group. Are there any other affinity groups that you're a part of at Ropes?

Chelsea Childs: Yes, there is a Women's Circle as well in San Francisco and the Silicon Valley office. Although we don't have any asset management attorneys in Silicon Valley, just as a whole, our two offices, because we're so close in geography, we do a lot of events together, both summer associate events, with the Silicon Valley summers, and then San Francisco summers. And also, our office party, office holiday party has been joint in the past too. So, we typically do a number of events with that office, and the Women's Circle is one of those where we combine forces so that we have a larger group to draw from and more perspectives.

Yoni Levy: Fantastic. I want to also mention that you said that a large part of your practice is focused on San Francisco and that you have great interactions with the San Francisco and Silicon Valley offices. That's fantastic, and that's certainly true obviously for me in the Boston area, but I also wanted to highlight that a large part of my practice at least has been with people in various offices. I do lots of work with partners in New York. I did a ton of work with Raj Marphatia, a partner in our San Francisco office before he passed. I do work with partners in London. We really are fairly well integrated across the firm, and I'm sure that's the case for you too.

Chelsea Childs: That's absolutely true, yes. I work with a lot of people—partners in D.C., New York and Boston, not just in San Francisco. Generally, our client teams are staffed across offices, which often works to our advantage in terms of time differences.

Yoni Levy: Yes, the time zone thing is amazing, I have to say. I am working on an Asia-based deal and [Billy Zhang](#) in our Hong Kong office is also staffed on it, and it's amazing because half the client team is in Asia and half of them are in New York. So, half the time Billy's awake answering the emails, and half the time I'm awake, and we basically just hand off one to the other. I agree that taking advantage of the time zone is really, really fantastic. I think I've taken a lot of your time. Before we wrap, maybe you could just tell us something fun you like to do in your spare time—give us a flavor for who you are outside of work.

Chelsea Childs: I am a dog mom, first and foremost. I am obsessed with my dog, Blanca—she's a German Shepherd mix. My husband and I adopted her during the pandemic, like a lot of people did. And mostly, my free time revolves around doing fun things with her. I'm currently living in Tahoe, which is a great ski area in the winter, but also a great hiking area in the summer. Pretty much every weekend, we're going on hikes with the dog. She's recently gotten into kayaking, and we've gotten her to be able to sit still in the kayak and just watch instead of trying to jump out and swim, so that's been really fun as well.

Yoni Levy: Awesome. I saw that Dianne Feinstein is selling her house for \$47 million in Tahoe. I'm not sure if you're sitting on that kind of cash, but you should look into it.

Chelsea Childs: She's not one of my neighbors. That's not the neighborhood that I'm located in.

Yoni Levy: Chelsea, thank you so much for joining me and sharing your insights. And thank you to our listeners. We hope you found this to be helpful. If there's a specific practice group or area you'd like us to cover in a future episode, please reach out to me directly—I'd love to hear from you. If you're a U.S. law student or recent graduate who would like to learn more, please visit our website at ropesgrayrecruiting.com or check us out on Instagram at [@ropesgray](https://www.instagram.com/ropesgray). You can subscribe to this series wherever you typically listen to podcasts, including on [Apple](#), [Google](#) and [Spotify](#). Please look out for future episodes and share with your friends. Thanks again for listening.

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