

# CU Clinic Aids Start-Ups

Lawyers Lend Hand To ELC, Which Operates Like A Law Firm

By **Ali McNally**  
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**BOULDER** — A bumpy drive over the snow-tire grooves in Highway 36 leads to a picturesque college town northwest of Denver. Boulder, notorious as a hippie Mecca, has grown a large pool of venture capital for tech start-ups — more than \$3 billion, to be exact.

A group of 12 University of Colorado law students are jumping head first into that pool of capital at the Entrepreneurial Law Clinic, which provides free legal work for local start-up companies, as well as valuable corporate legal skills to students.

“I think the flavor of the work is very much in-house style,” said Brad Bernthal, a CU law professor who leads the ELC. “For example some of the work we do involves contracts, corporate hygiene and corporate formalities, employment agreements and agreements with independent contractors.



Brad Bernthal, center, discusses ethics with the 12 students participating in CU Law's Entrepreneurial Law Clinic. Many of their discussions are like mini-CLEs. | LAW WEEK PHOTO ALI McNALLY

That's all systemic to what we do.”

## Other clinics

More than a dozen or so other universities around the nation have also established transactional clinics for local

start-ups within the past decade. The University of Denver, which has a range of civil and criminal litigation clinics, will open its transactional arm geared at nonprofits in fall 2011.

But CU may have an edge as an arm

of the CU-based Silicon Flatiron Entrepreneurial Initiatives, a center for technology meet-ups and seminars geared at entrepreneurs. About \$3.3 billion in venture capital poured into Boulder tech start-ups since 2000, according

# IN-HOUSE LEADERS IN THE

to numbers from the National Venture Capital Association. More than \$90 million has gone into area start-ups this year, according to third quarter numbers the NVCA released on Friday.

"It's not entrepreneurs being cheap," said Jason Mendelson, cofounder of the Foundry Group, a Boulder-based venture capital firm for start-up information technology companies. "Getting in to the ELC is a badge of honor for these entrepreneurs. It has a huge waiting list."

Not only are businesses vying for the help, but so are students. About 30 applicants vied for 12 spots in the year-long program. Selections were made based on grades, a transcript of transactional law courses already taken and a proven

attended Silicon Flatirons seminars for start-ups before seeking help from the law clinic.

"They helped me with different planning for the business, understanding the risks in issuing my loyal employees stock in the company, and how to do it in a way that makes sense," Pudalov said.

Entrepreneurs and students aren't the only ones learning. It was a learning experience for Moye White transactional attorney Patricia Rogers, who advised the students working with Pudalov. In addition to helping with business planning for Rush Bowls, which coincides more with her expertise, the team also worked on issues outside of her practice area such as FDA labeling.

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—Matt McKinney

ELC mentor from Stack McKinney Law Group

interest for working with entrepreneurs, such as volunteering or work experience in a family business.

"I came to Colorado specifically because of its robust entrepreneur program," said Benjamin Howe, a 3L from Boston enrolled in this year's class. "The clinic is a capstone to that program."

## Bridging gap

The clinic operates a lot like a law firm.

Two students handle two clients and act the primary point of contact. There's also a class manager who, much like an office administrator, keeps track of appointments, schedules meetings and organizes networking events. Each team works under the supervision of local volunteer attorneys.

"It's the place where students bridge the gap between the kind of learning in the classroom and real practice," Bernthal said. "Students do real work for real clients, but there's a classroom backdrop to it and it's a supervised context. We've got the unique structure of 15 attorneys in the area who volunteer the time to advise our students."

Andrew Pudalov, founder of organic on-the-go meal venture Rush Bowls, had

of law I hadn't dealt with on a day-to-day practice," said Matt McKinney, a law clinic mentor from Boulder-based Stack McKinney Law Group.

The clinic also garners attention from prominent in-house attorneys. The Colorado chapter of the Association of Corporate Counsel recently voted to provide two scholarships to transactional law clinic students — one at CU and one at DU — within the next five years.

The ELC "is not just students out there helping entrepreneurial startups, but it's students getting the benefit and bringing it to the community of the entire entrepreneurial community as well," said Bill Mooz, an associate general counsel at California-based cloud-computing company VMWare who's on the advisory board of the Silicon Flatirons.

Paul Shoning, a former student at the clinic and an associate at the Boulder office Hogan Lovells who focuses on corporate law and M&A, said, "Having gone through the experience of the clinic where you're forced to pull stuff from your courses, even to do fairly basic business planning with the founders, certainly translates over to my work today." •

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