

Defining “Material”—What Matter Will Matter?

“When we use the word “material” as an adjective in ordinary writing, such as in “a material event occurred yesterday,” we typically mean that the noun (“event”) being modified by the adjective (“material”) is one of real significance, importance or consequence—i.e., not a normal run-of-the-mill occurrence. But “material” is one of those English words that has many meanings depending on the context.” warns Glenn D. West in Global Private Equity Watch’s **Glenn West Musings**.

He goes on to say “when used to modify a covenant or warranty in an acquisition agreement, the meaning of the word “material” is not necessarily derived from dictionary definitions.”

He discusses various cases that demonstrate the term is fraught with uncertainty.

Read the article.