

An Anti-Reliance Clause Should Actually Disclaim Reliance on Extra-Contractual Representations

Nothing is more fundamental to private equity deal practice than limiting the exposure of private equity sellers for post-closing claims, writes Glenn D. West for Weil, Gotshal & Manges LLP's **Global Private Equity Watch**.

He believes that exposure to the discussion of fraud allegations, “whether through extra-contractual fraud claims (because of ineffective anti-reliance clauses or undefined fraud carve-outs), or claims based on less than deliberate and knowing misrepresentations (by the private equity seller itself) regarding the express, bargained-for representations set forth in the acquisition agreement (as a result of undefined fraud carve-outs), requires the most vigilance to avoid.”

Read the article.