

A Reminder of the Seriousness of Drafting and Interpreting Contracts

Constant vigilance, skilled lawyering and good deal-making skills remain critical to the proper drafting of contractual arrangements, points out **Glenn West** in a **post** on Weil, Gotshal & Manges LLP's Global Private Equity Watch.

He discusses the seriousness of drafting and interpreting contracts, and the care required in doing so, in light of the recent decision by the United States Court of Appeals for the Second Circuit in *Chesapeake Energy Corp. v. Bank of N.Y. Mellon Tr. Co.*, No. 15-2366-cv (7th Cir. Sept. 15, 2016). The appellate court affirmed the judgment of the district court awarding damages in favor of the noteholders against Chesapeake Energy for \$438,717,561.67 for redeeming notes at par after the period specified for redemption at par, the second time the Second Circuit has addressed Chesapeake's of its \$1.3 billion in notes based on the company's interpretation of the Notes' Supplemental Indenture.

The actual subjective intent of an agreement "may well have been to provide Chesapeake a four month period in which to provide the required 30-60 days' notice of redemption rather than to complete the actual redemption, but the Second Circuit, reading the actual words used to convey that intent, concluded that the words unambiguously conveyed a contrary meaning," according to West.

Read the article.