

Enforcing a Private Company Indemnity Regime

Article

06.2015

Financier Worldwide

Whether a private company acquisition is structured as a stock sale or a merger, the parties will often include in their deals provisions that specify when a buyer can bring claims for breach of representations. These provisions often take the form of highly negotiated indemnification provisions in the deal documents. In a stock sale, the sellers are party to the agreement, so that they are directly bound by the indemnity provisions.

That is not the case, however, in a merger; under Delaware law, the selling stockholders are not required to be a party to the merger agreement. Thus, it is important to consider how the indemnification regime will be enforced against stockholders of the seller corporation in a private corporation acquisition structured as a merger.

Click here to read the full article.

#

Louis G. Hering, Eric S. Klinger-Wilensky, "Enforcing a Private Company Indemnity Regime," *Financier Worldwide* (June 2015)

PROFESSIONALS

Louis G. Hering

Eric S. Klinger-Wilensky

PRACTICE AREAS

Corporate Counseling

