

**NEGOTIATING THE  
“ACCURACY OF REPRESENTATIONS”  
CONDITION IN THE ACQUISITION OF A  
PRIVATELY HELD COMPANY**

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# THE “ACCURACY OF REPRESENTATIONS” CONDITION IN THE ACQUISITION OF A PRIVATELY HELD COMPANY

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## Buyer’s proposed draft of “accuracy of representations” condition:

*Each of* Target’s representations and warranties is accurate *in all material respects* as of the date of this agreement, and will be accurate *in all material respects* as of the closing date....

## Target company’s proposed draft of “accuracy of representations” condition:

Target’s representations and warranties are accurate as of the date of this agreement and will be accurate as of the closing date, *except that this condition will be deemed satisfied if all inaccuracies in Target’s representations and warranties do not collectively give rise to a Material Adverse Effect on Target or its business.....*

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15<sup>th</sup> Annual Mergers and Acquisitions Institute session  
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