

**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

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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