

Partner Jeffrey Patt Quoted in Law360 on Importance of Understanding Management Projections in the Context of an M&A Transaction

April 15, 2013

Jeffrey Patt, co-chair of the Mergers and Acquisitions Practice, spoke with Law360 about the challenges faced by a board of directors in assessing a company's future financial performance in the context of a proposed sale of the company where management's projections in the past might not have been accurate or might be tainted by potential conflicts. Especially in a conflict transaction, Mr. Patt suggested that even management with a history of hitting its marks should get a closer look. "If management comes to a board with a [discounted cash flow] model and says 'the number is \$17 per share and here's how I got there,' the question should not simply be whether \$17 is the right number, but whether the underlying assumptions are the right assumptions," he says. "A well-counseled board generally shouldn't accept projections on faith." ("[When Management's Best Guesses Fail, Boards Can Too](#)," April 12, 2013)

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